

THE OHIO STATE UNIVERSITY
OFFICIAL PROCEEDINGS OF THE
ONE THOUSAND FOUR HUNDRED AND SECOND MEETING
OF THE BOARD OF TRUSTEES

Columbus, Ohio, April 2, 2004

The Board of Trustees met at its regular monthly meeting on Friday, April 2, 2004, at The Ohio State University Faculty Club, Columbus, Ohio, pursuant to adjournment.

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Minutes of the last meeting were approved.

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April 2, 2004 meeting, Board of Trustees

The Chairman, Mr. Sofia, called the meeting of the Board of Trustees to order on April 2, 2004, at 10:30 a.m. He requested the Secretary to call the roll.

Present: Zuheir Sofia, Chairman, Daniel M. Slane, Robert M. Duncan, Karen L. Hendricks, Dimon R. McFerson, Jo Ann Davidson, Douglas G. Borrer, Wally W. O'Dell, and Emily M. Quick.

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CHAIRMAN'S REPORT

Mr. Sofia:

Good morning. I would like to announce -- and have the secretary record in the minutes -- that our vice chair Tami Longaberger is unable to be with us today because she is serving on the United States Delegation to the 60th Session of the United Nations Commission on Human Rights in Geneva, Switzerland. We look forward to hearing about her experience when she returns and she sends you her best. We are honored at Ohio State to have Tami in this distinguished position, which was made by the President of the United States.

We have a very full agenda today with a number of critical reports, including a presentation about The James Cancer Program Expansion and the president will be providing the context for this critically important report in her remarks. I wish to call your attention to two other matters on today's agenda: the report on Compensation Benchmarks and an update on the Federation of the Colleges of the Arts and Sciences.

It has been one of the major, on-going goals of the University to move its compensation to be more competitive with our peer institutions. The University administration has worked diligently at this task over the last two years. An extremely careful marshalling of resources and an aggressive program of internal reallocation have allowed us to make some headway on this critical issue even during this period of uncertain state financial support. There is no question that compensation is an important factor in attracting and retaining the high quality of faculty and staff that will sustain our drive for excellence.

Later this morning we will be getting an update from executive dean Michael Hogan on the progress in the Federation of the Colleges of the Arts and Sciences. This Board, as well as the president and the interim provost, have expressed on several occasions their commitment to this Federation as a key factor in sustaining and enhancing the excellence in the core of this University.

As I have noted before, the Colleges of the Arts and Sciences include a number of the University's most highly ranked programs. In addition, it is important to remember that the colleges in this Federation teach 60 percent of all credit hours at the University, produce nearly 50 percent of all B.A. degrees, and award fully 50 percent of all Ph.D. degrees. The Arts and Sciences account for 75 percent of all honors credit hours and 70 percent of all honors students by head count in honors courses. Seventy percent of the Distinguished University Professors in the last ten years have come from the Arts and Sciences. Two-thirds of the University Distinguished Scholars Award winners, three-fifths of the Alumni Distinguished Teaching Award winners, and three-fifths of the University Service Award winners have come from the Colleges of the Arts and Sciences. As you can see, the Arts and Sciences are not only at the center of this University, but also critical to achieving excellence as set forth in our Academic Plan.

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PRESIDENT'S REPORT

President Karen A. Holbrook:

I think most of you know that I try to tailor my remarks to something that is relevant to the meeting of the day and around people – our faculty, staff, and students – and for good reason. People are certainly our greatest asset at this University, but in order to recruit and retain the very best people, we have to have updated, attractive facilities and meaningful programs. As our chairman has pointed out to you, today is a special day because we will be talking about a new project that we are very excited about. And I am going to focus on the programs and the facilities that embody the priorities of the Academic Plan and that help us to continue to attract the top candidates to our University.

Most of our new or remodeled facilities -- and we do a lot of remodeling as well as building -- are planned to enhance the quality of the teaching and learning environment. The centerpiece of this effort, of course, is the renovation of the Thompson Library, which will house our print collection as it does now, provide access to the latest digital-based information systems, and provide spaces for research, study, and group learning. It will be truly a library for the 21st century.

In September we dedicated the Veterinary Medicine Academic Building, which houses classrooms, laboratories, offices, a library, and some wonderfully inviting gathering spaces for students and faculty in our very highly ranked College of Veterinary Medicine. All one has to do is go over there during the day and see how much students are enjoying that space that is available to them for socialization.

The new home of the Knowlton School of Architecture will provide classroom, studio, and office space, a library, a landscape architecture garden, for students and faculty in landscape architecture and city and regional planning. A testament to that building being an advantage to students was given last year at one of the football brunches, when students who are in that school stood up and talked about what it means to them to have this phenomenal facility coming online.

A renovated Hagerty Hall will open in early 2005 as home to the World Media and Culture Center. Classrooms will have the latest technology for teaching and learning languages and cultures from around the globe. Also, office space for a number of the language and literature departments in the College of Humanities will be included in this building.

We broke ground last fall on the Scott Mechanical Engineering Lab that will also provide classrooms, offices, student lounge space, and laboratories, as well as a distance-learning center for students and faculty. Also, we will begin construction in a few weeks on the Psychology Building. Again, one of our Selective Investment departments and home to more undergraduate majors than any other department on campus.

Renovation of Jennings Hall will begin in the next year to provide classrooms and labs for students in the College of Biological Sciences. It will also be home to the Mathematical Biosciences Institute, a very unique, one-of-its-kind interdisciplinary facility funded by a \$10 million grant from the National Science Foundation.

Some of our other new facilities are also designed not simply for the classroom purposes, but to better serve the extra-curricular and the co-curricular activities of our students. The first new residence hall in years opened this fall. The Worthington/Neil Scholars Complex provides housing for graduate and professional students and undergraduate students in two of our Living/Learning Programs.

PRESIDENT'S REPORT (contd)

President Holbrook: (contd)

The Recreation and Physical Activity Center, set to open next year, will include a Student Wellness Center, plenty of fitness space, and will be home to the aquatics teams for the Department of Athletics. It, too, being a co-curricular space, will house classrooms and offices for the School of Physical Activity and Educational Services.

A new student union, still in its early planning stages, will accommodate student services, student organizations and activities, student lounges and study space, and will also be home to the Multicultural Center and the Ethnic Student Services offices. You will hear more about that in the months to come.

Other facilities have been designed for faculty and student research. The Aronoff Laboratory was dedicated in September, with laboratories, cold rooms, dark rooms, and instrumentation rooms. Great space for undergraduate students, faculty, and graduate students in the College of Biological Sciences. Also, we have broken ground on the 10-story Biomedical Research Tower, which will be a state-of-the-art research facility to double the amount of research space devoted to biomedical research. Space that is absolutely critical if Ohio State is to become a leader in this area.

But great facilities alone are not enough to attract the best and brightest of our faculty, students, and staff to Ohio State. We have to have great programs. We have recently undertaken a number of programmatic initiatives to enhance the teaching and learning environment, and to better serve our students.

We have invested in support for academic computing, increased the number of technology-enhanced classrooms, provided web-based instructional tools for both traditional courses and distance learning courses, and are helping faculty learn how to use instructional technologies in their classes. This Wednesday, we opened the Digital Union, a very exciting, fairly large -- it needs to be larger -- laboratory that was created by a partnership between the Office of the Chief Information Officer and the University Libraries, for faculty and students to explore the latest technology for teaching and learning. If you have time to visit it, by all means do. You will see an extraordinarily exciting facility.

We have expanded the number of Living/Learning Programs that allow students who share common academic, leadership, or cultural interests, or who participate in a scholars program, to live in the same community. We take for granted that 40 programs are there for our students. If you look around the nation at other universities, you will see that 40 programs are an extraordinary number and we keep considering new ones.

Several of our new programs were designed to create a diverse university community. The Multicultural Center, established in 2001 by the Offices of Academic and Student Affairs, provides innovative programming to facilitate cross-cultural education, appreciation, and interaction. The Kirwan Institute for the Study of Race and Ethnicity opened last year. Its goal is to study reasons for and potential solutions to racial and ethnic disparities and hierarchies in our society. In its first year, the Institute hosted two major conferences and started a very important national initiative on structural racism.

You will hear shortly about two other important University initiatives -- one focused on the Arts and Sciences and the other within the Medical Center. Both of these initiatives having very broad University-wide impact.

PRESIDENT'S REPORT (contd)

President Holbrook: (contd)

Today, executive dean Michael Hogan will update us on the progress made during the first nine months of the new Federation of the Colleges of the Arts and Sciences. I think all of you know, Dean Hogan will be leaving Ohio State to become provost at the University of Iowa on June 1. I will join Chairman Sofia in commending Mike later in the meeting, but I want to personally thank Dean Hogan for his outstanding service to the University as chair of the Department of History, dean of the College of Humanities and, most recently, executive dean for the Colleges of the Arts and Sciences. Thank you, Mike.

The final presentation in today's meeting will feature Drs. David Schuller and Michael Caligiuri, senior vice president and dean Fred Sanfilippo, and senior vice president Bill Shkurti as they describe the proposed expansion of our cancer program. I think you are going to see that this plan mirrors what is being accomplished in many other areas – the combination of state-of-the-art facilities and first-rate programs that will allow us to attract top teaching and research talent, educate outstanding students, and serve the health care needs of our community, the state, and beyond.

I would like to close -- going back to people, because I still think people are what count -- with two points. First, let me say that we are very grateful to the Governor in his recent cuts that he exempted the state share of instruction. This is very important to us and, while we sustained other cuts, we are grateful that the state share of instruction has remained intact.

Second, this is the time of year we commend faculty and students for their successes and I am going to mention just one faculty achievement that I think is extraordinary. The 2004 Stockholm Water Prize that has been awarded to Dr. William Mitsch of the Olentangy River Wetland Research Park. This is a prize that is really unparalleled among prizes, equivalent to a Nobel Prize in his particular field.

We are just beginning to see the student awards come in and they will precede all the rest of Spring Quarter and we will share them much later with you. We already have three Goldwater Scholars, an honorable mention for another one, and a Mellon Scholar who has been identified. So we are going to see more of those awards come in and we will keep telling you about them.

You may have noticed that in the last couple of weeks we have had a number of athletic events on campus and in the community. I want to commend Andy Geiger and, particularly, Richelle Simonson -- in partnership with Nationwide -- in planning the NCAA Men's Regional Basketball games. During the basketball games we transplanted the Ohio State floor from the Value City Arena in the Schottenstein Center to the Nationwide Arena and that showed up very nicely on television.

We were also host in the Schottenstein Center to the high school boy's state basketball championship, and in St. John Arena we had the first two rounds of the NCAA Women's Basketball championship games. This is incredible. During that time we also conducted a graduation. They took down the floor one night, worked all night so we could graduate our students the next day, and then put the floor back.

I think we really owe a debt of gratitude to Richelle Simonson and Andy Geiger for making those kinds of things happen with relative ease -- I am sure it was not with ease. It shows what we can do when we need to do it for the good of everybody.

PRESIDENT'S REPORT (contd)

President Holbrook: (contd)

Finally, I want to end with a story that connects us to our recent commencement and reminds us that our graduates follow many paths after they leave this University. Many members of the Board and the audience may remember Josh Mandel, who served two terms as USG president from 1998 to 2000. Even before graduation, Josh had enlisted in the Marine Corps. He was then in active duty reserves and simultaneously pursued his law degree at Case Western Reserve University. Josh recently wrote to some of his University friends from Iraq, where he is serving as a corporal, saying that "Things here are pretty intense but going well. I'm with a great group of Marines and everyone is focused on the mission at hand."

As we go about our daily routines, I think we need to remember with pride the many Buckeyes who serve their country with great pride and honor.

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STUDENT RECOGNITION AWARD

Ms. Quick:

The Student Recognition Award is presented each month by the Board of Trustees to a student in honor of the student's achievement in his or her area of study, service to the University and/or the community, and/or research achievements that have been a credit to the college and the University.

This month's recipient is Christopher Alvarez-Breckenridge, who was nominated by dean Joan Herbers from the College of Biological Sciences. Christopher is a third-year student, double majoring in biology and classics. He was admitted to the OSU College of Medicine and Public Health's Early Admission Pathway program directly out of high school and is now preparing to pursue a combined M.D./Ph.D. degree.

Christopher has been working in the Human Cancer Genetics Program since 1999 and is currently writing his honors thesis on "The Role of a Tumor Suppressor Gene in Normal and Cancerous Cells." He has presented at national conferences of the American Society of Human Geneticists and the American Association of Cancer Researchers. He is also a National Merit Scholar and a Barry M. Goldwater Scholarship recipient.

While maintaining his perfect GPA here at OSU, Christopher is the president of the Association of Ohio State Class Honoraries, the vice president of communications for his fraternity, Sigma Phi Epsilon, and a member of the Order of Omega.

Today dean Joan Herbers accompanies Christopher, along with David Stetson, his advisor from honors biology, and his mother, Carmen Alvarez-Breckenridge, an integral member in OSU's Multicultural Center.

Christopher is making great strides in cancer research, impacting both The Ohio State University and the community. His research is widely known and praised here -- in our very own Denman Undergraduate Research Forum competition, where he won second place last year -- and continuing all the way up to national levels. He is dedicated to The Ohio State University and committed to excellence in his field and service.

STUDENT RECOGNITION AWARD (contd)

Ms. Quick: (contd)

Christopher, I am very pleased to present this award to you today, on behalf of the Board of Trustees. You are truly an outstanding student. Congratulations.

Mr. Christopher Alvarez-Breckenridge:

First of all, I would like to thank the Board of Trustees for this wonderful award and Dean Herbers for her very kind nomination. This is a very much unexpected surprise.

Coming to Ohio State has been one of the greatest experiences in my life thus far. As President Holbrook said, one of our greatest assets is our people. I can only wholeheartedly agree with that. Thinking about the professors that I have been able to interact with and the opportunities they have provided me with to present my research, to get this involved with things I would have never expected to with my teachers, and then the undergraduate students who have challenged me, lifted me up, and been some of my dearest friends, to being able to be in a cutting-edge field where I am learning about how genes and cancer is evolving and communicates in cells -- I never expected that I would be able to do all of this.

Again, I just want to thank the Board, President Holbrook, and the dean for this great honor. Thank you very much. I would also like to thank my mom, who is here with me this morning.

Mr. Sofia:

Congratulations, again, Christopher. Good luck to you.

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COMPENSATION BENCHMARKS REPORT

Interim Provost Barbara Snyder: [PowerPoint Presentation]

First I would like to introduce my colleagues who are with me this morning, Larry Lewellen, associate vice president for Human Resources, and J Henderson, director of Compensation. This is our annual report to the Board on the status of compensation and benefit programs and on our competitiveness. This information that we are going to present to you today also sets the stage for our compensation planning process for the coming year. I am pleased to be able to report that we achieved very positive momentum with last year's compensation increases and we hope to be able to continue that progress despite our budget challenges.

You see now the questions we are going to be attempting to answer with this report: about our competitiveness, about the status of graduate associates, what is happening with our benefit programs, what preview information we have from other institutions on raises for the coming year, and some reflections on our compensation initiative priority.

Now I am going to ask Larry and J to start answering these questions.

COMPENSATION BENCHMARKS REPORT (contd)

Mr. Larry Lewellen:

The first slide shows a five-year history of salary increase budgets for each institution. The sections in blue are years with a salary budget of five percent or more for our competitors and the scarlet bar represents OSU's five-year history. You can see our five-year history of salary increase budgets is right at the benchmark average, about 0.2 percent above, and our comparison is still affected by the very small increase we had to experience three years ago.

The next slide is the same chart, but focuses only on the last two years. As our honorable chairman and Interim Provost Snyder mentioned, we have made great progress in the last two years -- the period when we have been most active with our compensation initiative. You can see our salary budgets were the highest among our benchmarks during that period.

This switches to a ranking of actual salary, so, accordingly, you can see we have improved our competitive faculty salary ranking among the benchmark institutions by three places. The top chart shows our ranking two years ago, in eighth place. The bottom chart shows our ranking this year in fifth place. We passed the Universities of Texas, Wisconsin, and Minnesota and are now 1.7 percent below the benchmark average.

Another view of faculty competitiveness is our ranking among the AAU institutions -- Association of American Universities, a national grouping of approximately 60 premier public and private institutions. At the top of the page, you will notice that fifteen years ago we were very close to the top third; now we are right in the bottom third. Given that these institutions are largely where we recruit from and faculty get recruited to, we still have work to do on faculty compensation competitiveness.

At this point, I am going to turn it over to J.

Mr. J Henderson:

The next chart is focused on staff competitiveness and is arranged by occupational category as defined by the Department of Labor. We focus on job titles when we actually manage salaries at the University, but for the annual reporting purpose, these large groupings actually do a good job in showing the University's progress.

As Larry just said, staff salary competitiveness has improved during the compensation initiative as well as the faculty. Previously, staff were about 16 percent behind our benchmarks markets and now we are about 9.5 percent behind. Obviously we still have some work to do, but at least we are making some progress.

This chart shows our salaries for a selection of job classifications compared to the state government of Ohio. As you can see, OSU salaries trail by approximately 9.8 percent. These positions were selected because these are some of the classifications where we have the largest number of staff at The Ohio State University.

Comparing staff salaries with the state government is another important view of competitiveness, as the state government is a very large local competitor of ours in the local market. It is also important to make ongoing comparisons, as we have similar responsibilities, as do other Ohio employers.

COMPENSATION BENCHMARKS REPORT (contd)

Mr. Henderson: (contd)

This slide focuses on graduate associates, showing our level of net economic support. Net economic support is defined as the following: it is a combination of stipends provided and health care subsidy provided, minus any instructional fees that our graduate students would have to pay. You can see we do not rank well among the grouping of our benchmark peers and public CIC institutions. We began to examine this several years ago.

Three years ago, the graduate associate financials support was an outcome of the G-QUE -- Graduate Quality University Experience -- report. We made certain improvements, but they were not sufficient to really make a lot of significant progress. Fortunately, the provost and deans have just approved a significant new package of improvements for the next two years in the areas of increasing the minimum stipends, health care subsidy, pre-tax payment in health care premiums, and other improvements. These improved policies formalize positive workplace practices in some of our best departments.

This slide returns to an analysis of last year's raise process for faculty and staff. We were very concerned about attracting and maintaining a diverse faculty and staff. Two years ago, we began to measure overall outcome of salary increases by gender and ethnicity. We are very pleased to be able to report to you that the compensation distribution practices within our colleges and departments are very consistent among all groups -- minority, non-minority, and gender. Overall, we actually have advantaged women and minorities this previous year.

We believe this is a continuing effort of our college and unit leaders to address historical differences in salaries. This is a great, great thing for us to be able to report to you today.

Now I will turn it back over to Larry.

Mr. Lewellen:

This next slide shows the annual health care costs for our faculty and staff. Although our health care costs have increased significantly over the past few years -- part of a national trend -- we are still very competitive with other universities.

This slide compares us with the AAU institutions that participate in an ongoing benchmarking process for benefit programs. You can see our cost per person is slightly below the mean for the institutions listed. We feel positive about this, as we have done a great deal of benchmarking on the level of benefits provided and we know that our benefit designs compare very favorably. This positive cost comparison reflects well on our benefit management and on the primary providers, the Medical Center and physicians.

Managing the growth in health care costs, however, still remains an issue. As you know, health care costs are one of the items tagged by the Board for cost management attention by University administration. We have a comprehensive health care redesign process underway involving faculty, staff, internal experts, outside consultants, and Medical Center leaders, where we hope to cut the annual increase trend to less than 10 percent. This process is in very close partnership with the Medical Center and one of the key factors is their evolution toward a personalized, patient-focused model of care.

COMPENSATION BENCHMARKS REPORT (contd)

Mr. Lewellen: (contd)

This next slide shows the early information we have obtained from other institutions and employers on salary increases for the coming year. The top two rows are informal predictions obtained from our IUC sister institutions and from our benchmark institutions. Usually about this time of year these are mostly true; to some degree, institutions like to shade each other a little bit as well. But this information is very useful in our planning process.

The bottom grouping shows survey data gathered by national consultants. The next to the last line reflects that the state government employees will not receive a pay increase this year. You might recall from a previous slide that we are, on average, around nine percent below state government salaries, so this provides an opportunity to close part of that gap.

We have reported on the positive progress we have made in compensation during the past two years. This progress largely came from hard decisions colleges and units had to make reallocating funds and closing positions. We need to consider the effects of reallocation on our faculty, staff, graduate associates, and programs as we plan forward. Compensation remains a high priority, but with full consideration of all the budget and staffing challenges required to achieve progress.

We do continue to face some uncertainties in the level of state support and delayed state budget decision processes. To address the continuing uncertainties, we are making a change in the effective date of our salary increases and benefit changes. This is something that is not noted on the slide. The salary increases this year will follow our past pattern of July increases for 12-month faculty and staff, and October for nine-month faculty. Right now we are finalizing details to move all salary increases next year to October for that year and future years. That schedule places us in a much stronger planning position, where we will have solid information on state appropriations before finalizing plans for salary increases. We will make a special pay adjustment this year to address the effect on future pension calculations and earnings for affected faculty and staff.

Interim Provost Snyder:

This slide summarizes the key messages. We have made very positive progress in salary competitiveness, but we still have a gap to address. We have active projects in place to address GA competitiveness and to improve cost management with our health care plans. We are also pleased that the gender and ethnicity patterns for salary increases reflect very well the University's commitment to diversity.

During this time, we have also surveyed the work life needs of our faculty and staff, and have excellent data on how we can support them in integrating personal, family, community, and professional endeavors. We understand the strong desire for an increased level of professional development activity from both our faculty and staff. We are very close to issuing an action plan based on the data from those surveys.

As we make future plans, we are going to have to be careful about balancing all of these priorities to ensure we have the right formula for attracting, retaining, and maintaining the high commitment of a diverse, world-class faculty, staff, and graduate student workforce.

COMPENSATION BENCHMARKS REPORT (contd)

Interim Provost Snyder: (contd)

Thank you for your time and attention. At this time we would be happy to answer any questions.

Ms. Quick:

What is the benchmark average of benefits for graduate students? How do we compare to that benchmark average for medical benefits?

Mr. Lewellen:

You can see it reflected on one of the charts that we showed, but the issue is subsidy for benefits for graduate associates. When you look at the level of subsidy right now that we have achieved for our graduate associates, we subsidized about 42 percent of the cost of health care this year. That puts us about 12th out of 14th among the benchmark institutions and the public CIC institutions, so we rank low in that comparison. That is why this improvement plan that the deans have approved is very important, because we do rank low.

Mr. Sofia:

In the next three years, can we catch up on all categories especially for our faculty and staff compared to the benchmarks? I know we are making a lot of progress. What kind of time frame do you think we need to get there?

Interim Provost Snyder:

We are working really hard on that and, of course, it is hard to set a target without knowing what other institutions are doing. Right now we are 1.7 percent behind our benchmarks with average faculty salary, which is very close to where we want to be. But we are not stopping; we are continuing our effort to make progress against the market this coming year with our increases.

With our graduate associates we are being very aggressive with a two-year plan that will increase dramatically the subsidy for health care benefits, in particular. That has been an issue for us. We will move from subsidizing at the level of 42 percent to 75 percent over this next two-year period. We are also increasing the minimum stipend for next year, during that same time period.

We are still behind the market with staff. Although if you look at us compared to the State of Ohio, we are a lot closer than we are to the general market in most of those job categories. I would like to tell you that in two years we will be done or really close, if we are not done. So we may be done and we may be competitive, but you cannot stop working at this. This is a continuing effort, because everybody else wants to be competitive as well. It is something we are not going to stop thinking about.

Mr. O'Dell:

How does that reconcile with being so low versus the AAU group? It sounds like we are almost in the bottom third.

Interim Provost Snyder:

We are right at the bottom third of the 60 AAU institutions. That is why we cannot stop -- even if we reach the midpoint of our benchmark peers -- if we want to truly recruit and retain world-class faculty. We are going to have to get higher

COMPENSATION BENCHMARKS REPORT (contd)

Interim Provost Snyder: (contd)

in the AAU ranking. That is a very good thing to focus on, so I am glad you pointed that out. It shows how much work we have yet to do.

Mr. O'Dell:

How far off are we, where we need to be for that group?

Interim Provost Snyder:

In terms of numbers?

Mr. O'Dell:

Are we two percent behind the median? Are we five percent behind?

Mr. Lewellen:

It would actually take somewhere between a 10-15 percent increase to get to the median of that group. You are asking how we reconcile these and the AAU institutions do contain a lot of private institutions. We focus heavily in our benchmark process on premier public institutions, but we also look at the AAUs because we did a study a few years ago to see where faculty come and go from and a lot of it is among those institutions. But the private institutions are what tilt it.

Ms. Hendricks:

Are all of our benchmark institutions also AAU institutions?

Interim Provost Snyder:

Yes, they are all public AAUs.

Ms. Hendricks:

I think what the debate here is, is AAU our benchmark or is our benchmark our benchmark? Is our benchmark reflective of the competitive set that we think is important? Wally, I think that is the question. We do get faculty going back and forth to non-benchmark universities, but I think we have to keep our eye on that, and say, "Do we have the right competitive set?"

Interim Provost Snyder:

I think we need to focus on both groups. The benchmark group that we have identified in the Academic Plan is the appropriate comparison group. The AAU group – Harvard, Johns Hopkins, the University of Chicago, and Duke – is in there, too. So we look at that group, because we do care where we measure up and where we do not, compared to that group. At the same time, I think we focus most heavily with regard to compensation on those public AAUs -- the University of Michigan, the University of Washington, the University of Minnesota, and UCLA. Those are among our benchmark peers and I think that it is the right group for the short-term focus. I think we need to keep our eye on the AAU and that is why we give you that information every year.

COMPENSATION BENCHMARKS REPORT (contd)

Mr. Sofia:

Thank you for a wonderful presentation, Barbara, Larry, and J.

(Compensation Benchmarks on file in the Board Office.)

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CONSENT AGENDA

President Karen A. Holbrook:

We have seventeen resolutions on the Consent Agenda today for your approval.

We are seeking your approval for:

UNIVERSITY HOSPITALS BOARD APPOINTMENTS

Resolution No. 2004-116

Synopsis: Approval of appointments to the University Hospitals Board is proposed.

WHEREAS the Board of Trustees on November 30, 1979, approved the establishment of a University Hospitals Board; and

WHEREAS the membership of the Hospitals Board was approved on April 4, 1980, and has been subsequently amended; and

WHEREAS there are two vacant citizen member positions on the University Hospitals Board:

NOW THEREFORE

BE IT RESOLVED, That the following individuals be appointed as citizen members of the University Hospitals Board for 3-year terms effective:

Edward H. Jennings, March 1, 2004

James B. Bachmann, April 1, 2004

APPOINTMENTS TO THE SELF-INSURANCE BOARD

Resolution No. 2004-117

Synopsis: Appointment of members to the Self-Insurance Board is proposed.

WHEREAS the Board of Trustees on December 6, 2002, approved the expansion of the University Self-Insurance Program to include the faculty physicians and their clinical staff who are employees of Ohio State University Physicians, Inc.; and

WHEREAS the Board of Trustees directed that a Self-Insurance Board be established to oversee the University Self-Insurance Program; and

APPOINTMENTS TO THE SELF-INSURANCE BOARD (contd)

WHEREAS all members of the Self-Insurance Board shall be appointed by The Ohio State University Board of Trustees upon recommendation of the President:

NOW THEREFORE

BE IT RESOLVED, That the following individuals be appointed as members of the Self-Insurance Board for the term May 1, 2004, through April 30, 2005:

Galen Barnes
Christopher Ellison, M.D.
R. Reed Fraley
Dimon R. McFerson*
Hagop Mekhjian, M.D.
James L. Nichols

BE IT FURTHER RESOLVED, That this appointment entitles the members to any immunity, insurance or indemnity protection to which officers and employees of the University are, or hereafter may become, entitled.

*Appointed as Chairman of the Self-Insurance Board

RENAMING OF DEPARTMENT/GRADUATE PROGRAM

Resolution No. 2004-118

Synopsis: Renaming of the Department of Plant Biology and the graduate program of Plant Biology is proposed.

WHEREAS the Department of Plant Biology underwent a reorganization in 1998, after five faculty members left the department to join the newly constituted and renamed Department of Evolution, Ecology, and Organismal Biology; and

WHEREAS the dominant research and teaching focuses of the faculty remaining in Plant Biology are in the fields of cellular and molecular biology; and

WHEREAS this proposed name change is supported by all relevant units in the University; and

WHEREAS the proposal to change the name of the graduate program was approved by the Council on Research and Graduate Studies; and

WHEREAS the proposal was discussed and approved unanimously by the Council on Academic Affairs, and was approved by the University Senate at its March 11, 2004 meeting:

NOW THEREFORE

BE IT RESOLVED, That the Department of Plant Biology and the graduate program names be changed to Plant Cellular and Molecular Biology, effectively immediately.

RENAMING OF DEPARTMENT

Resolution No. 2004-119

Synopsis: Renaming of the Department of Chemical Engineering is proposed.

WHEREAS over the last few decades, biology and biological chemistry have had increasing influence on the discipline of chemical engineering; and

WHEREAS the National Institutes of Health has recognized the special role that chemical engineering plays in biomolecular engineering; and

WHEREAS faculty in the Department of Chemical Engineering are extensively involved in biological and biomolecular research and teaching; and

WHEREAS this proposed name change is supported by all relevant units in the University; and

WHEREAS the proposal was discussed and approved unanimously by the Council on Academic Affairs, and was approved by the University Senate at its March 11, 2004 meeting:

NOW THEREFORE

BE IT RESOLVED, That the Department of Chemical Engineering be changed to the Department of Chemical and Biomolecular Engineering, effectively immediately.

CHANGE IN REPORTING LINE

Resolution No. 2004-120

Synopsis: Change in reporting line for the Center for Health Outcomes, Policy, and Evaluation Studies is proposed.

WHEREAS the Center for Health Outcomes, Policy and Evaluation Studies was established formally in 1993 and reports to the Senior Vice President for Health Sciences; and

WHEREAS today the mission of the Center is much better aligned with the expertise of the faculty in the School of Public Health; and

WHEREAS with the recent reorganization of the reporting structure of the School of Public Health itself, the mission of the Center can be accomplished more effectively through it; and

WHEREAS the Senior Vice President for Health Sciences and the Dean of the School of Public Health support a change in the reporting line; and

WHEREAS the above change was reviewed and approved by the Council on Academic Affairs on December 3, 2003:

NOW THEREFORE

BE IT RESOLVED, That the proposed change in the reporting line for the Center for Health Outcomes, Policy, and Evaluation Studies be changed from the Senior Vice President for Health Sciences to the Dean of the School of Public Health be approved, effective immediately.

HONORARY DEGREES

Resolution No. 2004-121

Synopsis: The awarding of honorary degrees to Howard M. Johnson and Edward J. Larson is recommended for approval.

WHEREAS the Committee on Honorary Degrees and the University Senate, pursuant to rule 3335-5-488 of the Administrative Code, have approved for recommendation to the Board of Trustees awarding of honorary degrees as listed below:

Howard M. Johnson

Doctor of Science

Edward J. Larson

Doctor of Humane Letters

NOW THEREFORE

BE IT RESOLVED, That the above honorary degrees be awarded in accordance with the recommendation at a time convenient to the University and the recipients.

PERSONNEL ACTIONS

Resolution No. 2004-122

BE IT RESOLVED, That the personnel actions as recorded in the Personnel Budget Records of the University since the March 5, 2004 meeting of the Board, including the following Appointments, Concurrent Appointment, Appointment/Reappointment of Chairpersons and Directors, Professional Improvement Leaves, and Emeritus Titles, as detailed in the University Budget be approved.

Appointments

Name:	WILLIAM A. BAESLACK III
Titles:	Dean and Professor
College/Departments:	Engineering/Industrial, Welding, and Systems Engineering and Materials Science and Engineering
Term:	July 1, 2004, through June 30, 2009
Present Position:	Dean, School of Engineering, Rensselaer Polytechnic Institute, Troy, NY
Name:	A. DOUGLAS KINGHORN
Title:	Professor (The Jack L. Beal Chair in Medicinal Chemistry and Pharmacognosy)
College:	Pharmacy
Effective:	May 1, 2004
Present Position:	Assistant Head and Professor, Department of Medicinal Chemistry and Pharmacognosy, and Associate Director, Program for Collaborative Research in the Pharmaceutical Sciences, College of Pharmacy, and Assistant to the Director, Research Resources Center, Office of the Vice Chancellor for Research, University of Illinois at Chicago
Name:	STEPHEN M. REED
Title:	Professor (The Bud and Marilyn Jenne Designated Professorship in Equine Clinical Sciences and Research)
Department:	Veterinary Clinical Sciences
Term:	January 1, 2004, through December 31, 2006

PERSONNEL ACTIONS (contd)

Appointments (contd)

Name: JACQUELINE J. ROYSTER
Title: Interim Executive Dean of the Colleges of the Arts and Sciences
Effective: June 1, 2004
Present Position: Interim Dean of the College of Humanities

Name: JON R. WOODS
Title: Professor (The Endowed Chair for Director of The Ohio State University
Marching Band)
School: Music
Effective: July 1, 2004

Concurrent Appointment:

Name: ALFRED P. SANFILIPPO
Title: Executive Dean of Health Sciences
Term: April 1, 2004, through June 30, 2007
Present Position: Senior Vice President for Health Sciences and Dean of the College of
Medicine and Public Health

Appointment of Director

April 1, 2004, through March 31, 2005

Agricultural Technical Institute

Stephen P. Nameth*

*Interim

Reappointment of Chairpersons and Director

July 1, 2004, through June 30, 2008

Food, Agricultural and Biological Engineering

K. C. Ting

October 1, 2004, through September 30, 2005

Center for Folklore Studies

Amy E. Shuman

October 1, 2004, through September 30, 2008

Germanic Languages and Literatures
Philosophy

Bernd Fischer
George S. Pappas

Professional Improvement Leaves

GREGORY M. TRAVALIO, Associate Dean and Professor (Lawrence D. Stanley Professorship in Law), Moritz College of Law, effective Autumn Semester 2004.

YUAN F. ZHENG, Chairperson and Professor, Department of Electrical Engineering, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

RICHARD J. BODONYI, Professor, Department of Aerospace Engineering and Aviation, effective Spring Quarter 2005.

DAN BURGHELEA, Professor, Department of Mathematics, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

PERSONNEL ACTIONS (contd)

Professional Improvement Leaves (contd)

RUTH COLKER, Professor (The Heck-Faust Memorial Chair in Constitutional Law), Moritz College of Law, effective Autumn Semester 2004.

GLENN S. DAEHN, Professor (The Dr. Mars G. Fontana Professorship in Metallurgical Engineering), Department of Materials Science and Engineering, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

GERALD S. FRANKEL, Professor, Department of Materials Science and Engineering, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

SOMNATH GHOSH, Professor, Department of Mechanical Engineering, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

KOICHIRO HARADA, Professor, Department of Mathematics, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

KATHERINE HUNT FEDERLE, Professor, Moritz College of Law, effective Autumn Semester 2004.

BRUCE S. JOHNSON, Professor, Moritz College of Law, effective Spring Semester 2005.

JEFFREY M. KIPNIS, Professor, Knowlton School of Architecture, effective Winter Quarter and Spring Quarter 2005.

AKOS SERESS, Professor, Department of Mathematics, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

DAVID D. WOODS, Professor, Department of Industrial, Welding, and Systems Engineering, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

DOUGLAS A. BERMAN, Associate Professor, Moritz College of Law, effective Spring Semester 2005.

CAROLINE T. CLARK, Associate Professor, School of Teaching and Learning, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

FRANCIS J. DONOGHUE, Associate Professor, Department of English, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

BERN KOHLER, Associate Professor, Department of Chemistry, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

WALTER R. LEMPert, Associate Professor, Department of Mechanical Engineering, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

RICHARD E. PARENT, Associate Professor, Department of Computer Science and Engineering, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

ROBERT G. PARKER, Associate Professor, Department of Mechanical Engineering, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

GREGORY N. WASHINGTON, Associate Professor, Department of Mechanical Engineering, effective Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005.

PERSONNEL ACTIONS (contd)

Professional Improvement Leave—Change in Dates

JACQUELINE J. ROYSTER, Interim Dean and Professor, Department of English, change leave from Autumn Quarter 2004, Winter Quarter and Spring Quarter 2005, to Autumn Quarter 2005, Winter Quarter and Spring Quarter 2006.

Emeritus Titles

JAMES W. ALTSCHULD, School of Educational Policy and Leadership, with the title Professor Emeritus, effective April 1, 2004.

MICHAEL J. HOGAN, Department of History, with the title Professor Emeritus, effective June 1, 2004.

JOHN P. HUNEKE, Department of Mathematics, with the title Professor Emeritus, effective April 1, 2004.

DIJEN RAY-CHAUDHURI, Department of Mathematics, with the title Professor Emeritus, effective April 1, 2004.

JOHN J. CURRY III, Department of Physiology and Cell Biology, with the title Associate Professor Emeritus, effective July 1, 2004.

MARGARET E. GRIFFITHS, Ohio State University Extension, with the title Associate Professor Emeritus, effective May 1, 2004.

WILLIAM J. BUESCHING III, Department of Pathology, with the title Associate Professor-Clinical Emeritus, effective July 1, 2004.

DON E. GEBHART, Department of Otolaryngology, with the title Clinical Professor Emeritus, effective April 1, 2004.

HERBERT A. BRONSTEIN, Department of Internal Medicine, with the title Clinical Associate Professor Emeritus, effective April 1, 2004.

Correction to Emeritus Status

MARY ANN SAGARIA, Associate Professor Emeritus, School of Educational Policy and Leadership, effective February 1, 2004, has resigned instead of retiring and Emeritus status is withdrawn.

RESOLUTIONS IN MEMORIAM

Resolution No. 2004-123

Synopsis: Approval of Resolutions in Memoriam is proposed.

RESOLVED, That the Board adopt the following Resolutions in Memoriam and that the President be requested to convey a copy to the families of the deceased.

Albert F. Gehres

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on February 23, 2004, of Albert F. Gehres, Professor Emeritus in the Ohio State University Extension.

RESOLUTIONS IN MEMORIAM (contd)

Albert F. Gehres (contd)

Mr. Gehres was born March 1, 1918, in Wren, Ohio. He received a Bachelor of Science in Agriculture degree in 1941 from The Ohio State University and a master's degree in 1959 in extension education from the University of Wisconsin.

Al Gehres began his Extension career in Ohio in 1950 as an associate county extension agent in Williams County. In April of 1953 he became the acting assistant state 4-H club leader and in October of that year was named assistant state leader of 4-H. In 1959, he became the associate state 4-H club leader. In 1964 he was named assistant director of 4-H and continued in this position until 1970, when he became an extension specialist in community resource development. He held this position until his retirement in 1977.

During Mr. Gehres' career with Extension, he significantly influenced the quality of 4-H educational programs and had a significant impact on the 4-H program for the entire State of Ohio. In 1968 he received the Governor's Award for 4-H club work in Ohio. As an extension specialist in community resource development, Al provided programs in leadership development and education and served as the editor of the Ohio Community Resource Development Newsletter. He had several articles published during his Extension career. He was a member of Epsilon Sigma Phi, the Community Development Society, and the Ohio Farm and Home Safety Committee.

These contributions in providing excellent Extension educational programs during his career earned him the respect and admiration of coworkers and associates throughout the state and nation.

On behalf of the University community, the Board of Trustees expresses to the family of Professor Albert F. Gehres its deepest sympathy and sense of understanding of their loss. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to his family as an expression of the Board's heartfelt sympathy.

Charles W. Pavey, Jr.

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on February 17, 2004, of Charles W. Pavey, Jr., M.D., Clinical Professor Emeritus in the Department of Obstetrics and Gynecology.

Dr. Pavey received both his Bachelor and Doctor of Medicine degrees from The Ohio State University. He completed his residency at The Ohio State University Hospitals, delivering an average of more than 100 babies per month during his training. He then served on the faculty of The Ohio State University College of Medicine until his retirement in 1972, and held the position of Clinical Professor Emeritus in the Department of Obstetrics and Gynecology until his death. During his 57 years of practice, it is estimated that Dr. Pavey delivered in excess of 25,000 babies. Many of his innovations later became standard practice in the specialty of obstetrics and gynecology.

Dr. Pavey was active in the following medical organizations: as a diplomat of the American Board of Obstetrics and Gynecology; fellow of the American College of Surgeons; member and past president of the Columbus Academy of Medicine and the Association of American College of Physicians and Surgeons; and member of the American Medical Association and the Ohio State Medical Association.

Dr. Pavey also served as a member of the John Birch Society, the University District Organization, the Old North High Club, and was a lifelong member of North United Methodist Church.

RESOLUTIONS IN MEMORIAM (contd)

Charles W. Pavey, Jr. (contd)

On behalf of the University community, the Board of Trustees expresses to the family of Dr. Charles W. Pavey, Jr. its deepest sympathy and sense of understanding of their loss. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to his family as an expression of the Board's heartfelt sympathy.

Charles B. Wheeler

The Board of Trustees of The Ohio State University expresses its sorrow upon the death on January 29, 2004, of Charles B. Wheeler, Professor Emeritus in the Department of English.

Charles Wheeler was born in St. Louis, Missouri, on January 12, 1917. He received his A.B. degree from Westminster College in 1937, graduating *magna cum laude*. He achieved his M.A. and Ph.D. degrees at Cornell University in 1939 and 1953, respectively. Between degrees, from 1942 to 1945, Charles served as a sergeant in World War II. After receiving his Ph.D., Charles taught as an instructor at Westminster College, Cornell University, and Washington University before coming to Ohio State in 1952 as an instructor. The courses he taught were varied: from Beowulf to Biblical studies; from Shakespeare to modern literature. While at Ohio State, Charles was promoted to assistant professor in 1955, associate professor in 1964, and full professor in 1969. Throughout his tenure at the University, he published two books: *The Design of Poetry* (1966) and *The Bible as Literature* (1986, 1990, 1996, 2000 with John Gabel). Charles was also an accomplished poet; his poems were published in a number of literary periodicals, and in 1996 the editors of the *Cumberland Poetry Review* selected him as the winner of the Robert Penn Warren Poetry Prize.

As a graduate student at Cornell University, Charles was described as "one of the most intelligent and subtle-minded of all." Students had similar praise of Charles as an instructor who understood them and had a "profound effect" on their lives. Fully involved in departmental affairs at Ohio State, Charles was the executive secretary, an advisor on the student literary magazine, and served on the new personnel, composition, curriculum and promotion and tenure committees. For the college, Charles was very involved in various curriculum committees for Arts and Sciences. He also served the University well, sitting on the Council on Academic Affairs.

Outside Ohio State, Charles was physically active and began running competitively in the late 1960s, competing in five or six road races a year. At 6 feet 5, 178 pounds, Charles was much larger than most distance runners. His size, however, did not stop him from winning the *Dispatch* Early Bird 10K Run in 1987 in the 70 and over division. Charles was a life member of the National Audubon Society, The Nature Conservancy, and The Sierra Club, and over his years in Columbus held virtually every office in the Columbus Audubon Society, including president, treasurer and newsletter editor for 25 years. Even after retiring from Ohio State in 1987, Charles continued giving to the University, becoming a Presidents Circle member of the Presidents Club, Ohio State's largest and most prestigious major donor recognition group. He also kept in touch with the department, frequently visiting for lunch with colleagues, where his keen intellect, ever-inquiring mind and engagement in the welfare of friends and family were treasured.

On behalf of the University community, the Board of Trustees expresses to the family of Professor Charles B. Wheeler its deepest sympathy and sense of understanding of their loss. It was directed that this resolution be inscribed upon the minutes of the Board of Trustees and that a copy be tendered to his family as an expression of the Board's heartfelt sympathy.

REPORT OF RESEARCH CONTRACTS AND GRANTS

Resolution No. 2004-124

Synopsis: The report on research and other sponsored program contracts and grants and the summary for February 2004 are presented for Board acceptance.

WHEREAS monies are solicited and received on behalf of the University from governmental, industrial, and other agencies in support of research, instructional activities, and service; and

WHEREAS such monies are received through The Ohio State University Research Foundation:

NOW THEREFORE

BE IT RESOLVED, That the research agreement between The Ohio State University and The Ohio State University Research Foundation for the contracts and grants reported herein during the month of February 2004 be approved.

REPORT ON UNIVERSITY DEVELOPMENT

Resolution No. 2004-125

Synopsis: The report on the receipt of gifts and the summary for February 2004 are presented for Board acceptance.

WHEREAS monies are solicited and received on behalf of the University from alumni, industry, and various individuals in support of research, instructional activities, and service; and

WHEREAS such gifts are received through The Ohio State University Development Fund and The Ohio State University Foundation; and

WHEREAS this report includes the establishment of The Bud and Marilyn Jenne Designated Professorship in Equine Clinical Sciences and Research; and

WHEREAS this report includes the establishment of thirteen (13) new named endowed funds and amendments of two (2) named endowed funds:

NOW THEREFORE

BE IT RESOLVED, That the acceptance of the report from The Ohio State University Development Fund and The Ohio State University Foundation during the month of February 2004 be approved.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

TOTAL UNIVERSITY PRIVATE SUPPORT

July through February
2003-04 Compared to 2002-03

GIFT RECEIPTS BY DONOR TYPE

	Dollars July through February		
	<u>2003-04</u>	<u>2002-03</u>	<u>%Change</u>
Individuals:			
Alumni (Current Giving)	\$19,807,387	\$27,056,157	(27)
Alumni (From Bequests)	<u>9,051,535</u>	<u>2,664,044</u>	240
Alumni Total	\$28,858,922	\$29,720,201	(3)
Non-Alumni (Current Giving)	\$18,350,369	\$13,769,113	33
Non-Alumni (From Bequests)	<u>9,674,733</u>	<u>3,762,130</u>	157
Non-Alumni Total	\$28,025,102	\$17,531,243	60
Individual Total	\$56,884,024	\$47,251,444	20 ^A
Corporations/Corp/Foundations	\$24,590,567	\$28,367,855	(13) ^B
Private Foundations	\$13,535,723	\$14,420,659	(6)
Associations & Other Organizations	<u>\$3,938,665</u>	<u>\$5,034,645</u>	(22) ^C
Total	\$98,948,979	\$95,074,603	4

NOTES

- A Individual giving is up 20% largely due to the fact that gifts from non-alumni are up 60% over last year (nearly \$11 million more than one year ago).
- B Giving from corporations at the \$10,000 or more level is down 16% for July 2003 – February 2004 (\$19.4 million from 430 gifts this year; \$23.1 million from 424 gifts last year).
- C Giving from associations and other organizations at the \$10,000 or more level is down 28% for July- February (\$2.8 million from 72 gifts this year; \$3.9 million from 64 gifts last year).

REPORT ON UNIVERSITY DEVELOPMENT (contd)

TOTAL UNIVERSITY PRIVATE SUPPORT (contd)

July from February
2003-04 Compared to 2002-03

GIFT RECEIPTS BY PURPOSE

		Dollars July through February	
	<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
Gift Receipts to Current Use and Endowment Funds:			
Buildings/Equipment	\$32,374,984	\$19,205,017	69
Faculty Support	\$6,287,300	\$9,213,036	(32)
Program Support	\$41,317,777	\$49,665,988	(16)
Student Financial Aid	\$11,741,520	\$11,603,325	1
Annual Funds-Colleges/Departments	\$4,062,061	\$4,752,429	(15)
Annual Funds-University	<u>\$3,165,337</u>	<u>\$634,808</u>	399
Total	\$98,948,979	\$95,074,603	4

GIFT ADDITIONS TO ENDOWMENT

Dollars
July through February

<u>2003-04</u>	<u>2002-03</u>	<u>% Change</u>
\$30,537,443	\$28,884,810	6

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND

	<u>Previous Gifts</u>	<u>Current Gifts</u>	<u>Total Gifts</u>
<u>Establishment of Named Endowed Funds</u>			
Richard E. Stent Jr. Scholarship Fund (Used to provide scholarships for students who major in one of the departments of the College of Biological Sciences with an emphasis on microbiology; provided by a gift from the estate of Richard E. Stent Jr.)	\$65,958.00		\$65,958.00
The Dr. Phillip A. Heath Education Scholarship Fund (Used to provide scholarships for one or more students who have been admitted to the Master of Education Program on the Lima Campus; provided by gifts from faculty and friends of The Ohio State University at Lima)		25,738.00	25,738.00
The Linda S. Hoffsis Leadership Fund (Used to support leadership development in the College of Veterinary Medicine; provided by gifts from Dr. Glen F. Hoffsis, family, friends, and the College of Veterinary Medicine)		25,000.00	25,000.00

THE OHIO STATE UNIVERSITY FOUNDATION

	<u>Previous Gifts</u>	<u>Current Gifts</u>	<u>Total Gifts</u>
<u>Establishment of Named Designated Professorship</u>			
The Bud and Marilyn Jenne Designated Professorship in Equine Clinical Sciences and Research (Used to provide salary and research support for a professorship position within the College of Veterinary Medicine; provided by a gift from Marilyn Jenne)			
<u>Establishment of Named Endowed Funds</u>			
The John S. Eckert Memorial Fund in Chemical Engineering (Used to enhance the Department of Chemical Engineering; provided by a gift from the estate of Mrs. Vera K. Eckert)		\$100,000.00	\$100,000.00
The Paul R. Weisenstein Endowment Scholarship Fund (Used to provide scholarships in the OSU College of Dentistry; provided by gifts from Terry P. and Christina J. Weisenstein)		\$50,000.00	\$50,000.00

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

	<u>Previous Gifts</u>	<u>Current Gifts</u>	<u>Total Gifts</u>
<u>Establishment of Named Endowed Funds (contd)</u>			
The Surington Memorial Library Fund (Used to support the business library at the Fisher College of Business; provided by gifts from the estate of Ruth M. Fechko)		30,326.39	30,326.39
The Ann Greer Mills Endowment Fund (Used as a stipend for a post-baccalaureate student interning with an institution, corporation, or agency; provided by a gift from Roger Edward Mills, Harold Mills, Julie Herman, and Paul S. Herman)		28,925.00	28,925.00
The Elmer/Gless Digital Library Fund (Used to support the Knowlton School of Architecture digital library and the production of images for the study of architecture, landscape architecture, and planning; provided by gifts from Franklin L. Elmer and Ruth M. Gless)		25,180.00	25,180.00
The Marian Miller Berkebille Nursing Scholarship Fund (Used to support nursing scholarships for undergraduate students in the College of Nursing; provided by a gift from Marian Miller Berkebille)		25,000.00	25,000.00
The Henderson Family Athletic Scholarship Fund (Used to supplement the grant-in-aid scholarship costs of an undergraduate student-athlete who is a member of a varsity team; provided by a gift from Ronald and Nancy Henderson)		25,000.00	25,000.00
L. Michael Howard Fund in Public Policy and Management (Used to support programs within the School of Public Policy and Management as designated by the director of the School; provided by a gift from L. Michael Howard)		25,000.00	25,000.00
The Fred and Frieda Thiergartner Scholarship Fund (Used to provide dissertation research support to doctoral students in sport and exercise science; provided by gifts from The Sherman Trust)		\$25,000.00	\$25,000.00
The Randall S. Yessenow, M.D. Athletic Scholarship Fund in Memory of Gayle Yessenow (Used to supplement the grant-in-aid scholarship costs of an undergraduate student-athlete who is a member of the varsity football team; provided by a gift from Dr. Randall S. Yessenow)		25,000.00	25,000.00

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

	Previous <u>Gifts</u>	Current <u>Gifts</u>	Total <u>Gifts</u>
<u>Change in Name of Named Endowed Fund</u>			
From: College of Dentistry Endowed Chair Fund in Endodontics			
To: Dr. William J. Meyers Endowed Chair Fund in Endodontics			
<u>Change in Name and Description of Named Endowed Fund</u>			
From: The Robert and Mary Reusche Humanities Scholar Endowed Scholarship Fund			
To: The Robert and Mary Reusché Colleges of Arts and Sciences Scholar Endowed Scholarship Fund			
Total	\$65,958.00	\$410,169.39	\$476,127.39

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND

Establishment of Named Endowed Funds

Richard E. Stent Jr. Scholarship Fund

The Richard E. Stent Jr. Scholarship Fund was established April 2, 2004, by the Board of Trustees of The Ohio State University with a gift from the estate of Richard E. Stent Jr. (B.A., 1949) of Columbus, Ohio.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide financial assistance to deserving students who major in one of the departments of the College of Biological Sciences with an emphasis on microbiology. The allocation of these funds will be determined by the dean of the College of Biological Sciences on an annual basis. The scholarship will be awarded in consultation with the University Committee on Student Financial Aid.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees as recommended by the dean of the College of Biological Sciences in order to carry out the desire of the donor.

\$65,958.00

The Dr. Phillip A. Heath Education Scholarship Fund

The Dr. Phillip A. Heath Education Scholarship Fund was established April 2, 2004, by the Board of Trustees of The Ohio State University with gifts from the faculty, staff, and friends of The Ohio State University at Lima.

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used for scholarships for one or more students who have been admitted to the Master of Education program on the Lima Campus. The scholarship will be awarded in consultation with the Lima Campus Committee on Student Financial Aid.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees in consultation with the dean of The Ohio State University at Lima in order to carry out the desire of the donors.

\$25,738.00

The Linda S. Hoffsis Leadership Fund

The Linda S. Hoffsis Leadership Fund was established April 2, 2004, by the Board of Trustees of The Ohio State University with gifts from Dr. Glen F. Hoffsis (B.S.Agr., 1966; D.V.M., *cum laude*, 1966; M.S., 1969) of Powell, Ohio; family, friends, and the College of Veterinary Medicine.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY DEVELOPMENT FUND (contd)

Establishment of Named Endowed Funds (contd)

The Linda S. Hoffsis Leadership Fund (contd)

All gifts are to be invested in the University's Permanent Endowment Fund, under the rules and regulations adopted by the Board of Trustees of The Ohio State University, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to support leadership development in the College of Veterinary Medicine. This may include retreats, speakers, strategic planning for college leaders, or assistance in training for potential leaders in the college.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Board of Trustees as recommended by the dean of the College of Veterinary Medicine in order to carry out the desire of the donors.

\$25,000.00

THE OHIO STATE UNIVERSITY FOUNDATION

Establishment of Named Designated Professorship

The Bud and Marilyn Jenne Designated Professorship in Equine Clinical Sciences and Research

The Bud and Marilyn Jenne Chair Fund was established November 2, 2001, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Marilyn Jenne, Amherst, Ohio. The name and description were revised April 2, 2004.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income will be used at the discretion of the dean of the College of Veterinary Medicine to further the activities of the college. The intent of the fund is to establish a chair in the College of Veterinary Medicine. Until the minimum funding level for a chair is met, the annual income shall provide salary and research support for a professorship position in the College of Veterinary Medicine. Appointment to the professorship shall be recommended by the dean of the College of Veterinary Medicine and the executive vice president and provost and approved by the Board of Trustees. Any income not used in any given year shall be returned to principal.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board as recommended by the dean of the College of Veterinary Medicine in order to carry out the desire of the donor.

Establishment of Named Endowed Funds

The John S. Eckert Memorial Fund in Chemical Engineering

The John S. Eckert Memorial Fund in Chemical Engineering was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from the estate of Mrs. Vera K. Eckert of Akron, Ohio, in memory of her husband, John S. Eckert (B.Ch.E., 1933).

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

Establishment of Named Endowed Funds (contd)

The John S. Eckert Memorial Fund in Chemical Engineering (contd)

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to commemorate John S. Eckert and his desire to advance the quality of teaching and research within the University's Department of Chemical Engineering. The chairperson of the department will be responsible for allocating these discretionary earnings in ways to enhance the Department of Chemical Engineering.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board in consultation with the chairperson of the Department of Chemical Engineering in order to carry out the desire of the donor.

\$100,000.00

The Paul R. Weisenstein Endowment Scholarship Fund

The Paul R. Weisenstein Endowment Scholarship Fund was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Mr. Terry P. and Mrs. Christina J. Weisenstein of Gahanna, Ohio, in memory of Dr. Paul R. Weisenstein (D.D.S., 1951).

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to award one or more scholarships to deserving students of the OSU College of Dentistry. Selection of the scholarship recipients shall be made by the dean of the College of Dentistry in consultation with the University Committee on Student Financial Aid.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board in consultation with the dean of the College of Dentistry in order to carry out the desire of the donors.

\$50,000.00

The Surington Memorial Library Fund

The Surington Memorial Library Fund was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from the estate of Ruth M. Fechko (B.S.Bus.Adm., 1947) of Columbus, Ohio, in memory of Dr. Cyril T. (B.A., 1929; M.D., 1934) and Esther Collicott Surington (B.A., 1936; M.S.W. 1960).

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to support the activities and operations of the business library at The Max M. Fisher College of Business.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

Establishment of Named Endowed Funds (contd)

The Surington Memorial Library Fund (contd)

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board in consultation with the dean of the Fisher College of Business in order to carry out the desire of the donor.

\$30,326.39

The Ann Greer Mills Endowment Fund

The Ann Greer Mills (M.S., 1958) Endowment Fund for the Department of Human Nutrition in the College of Human Ecology was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, in her memory with a gift from her husband, Roger Edward Mills (B.S., 1952; M.S., 1952; Ph.D., 1963), children Harold Mills and Julie Herman, and son-in-law Paul S. Herman, M.D.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used as a stipend for a post-baccalaureate student who is interning with an institution, corporation, or agency. The work of the intern will focus on nutrition for youth and preference will be given to interns who are working and studying at off-campus sites.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board in consultation with the appropriate faculty, such as the director of the Dietetic Internship Program, the chairperson of the Department of Human Nutrition, and the dean of the College of Human Ecology, in order to carry out the desire of the donors.

\$28,925.00

The Elmer/Gless Digital Library Fund

The Elmer/Gless Digital Library Fund was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Franklin L. Elmer, FAIA, FAICP (M.C.P., 1967) and Ruth M. Gless (M.Arch., University of Virginia, 1979) of Columbus, Ohio.

Frank Elmer and Ruth Gless are founding partners of Lincoln Street Studio. In a short period of time they established the firm as one of the leading design/planning firms in Ohio. They built the firm on the principle that good design is driven by broad based knowledge and enhanced by cutting-edge technology. They believe that the new forms of visual information made available by the digital library can only improve design and planning decisions and that the library will be an invaluable resource for the students, faculty, and alumni.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

Establishment of Named Endowed Funds (contd)

The Elmer/Gless Digital Library Fund (contd)

The annual income shall be used to support the Austin E. Knowlton School of Architecture digital library and the production of images for the study of architecture, landscape architecture, and planning.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board in consultation with the director of the Knowlton School of Architecture and the Knowlton School of Architecture digital curator in order to carry out the desire of the donors.

\$25,180.00

The Marian Miller Berkebile Nursing Scholarship Fund

The Marian Miller Berkebile Nursing Scholarship Fund was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Mrs. Marian Miller Berkebile of Fort Myers, Florida, in honor of Mary Berkebile Firestone, who started her nursing career at Ohio State University.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to support nursing scholarships for undergraduate students pursuing a bachelor's degree at the College of Nursing. All scholarships are to be awarded on merit and financial need and shall be selected by the dean, assistant dean, and associate deans of the College of Nursing in consultation with appropriate faculty and the University Committee on Student Financial Aid.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board in consultation with the dean of the College of Nursing and the College's fiscal officer in order to carry out the desire of the donor.

\$25,000.00

The Henderson Family Athletic Scholarship Fund

The Henderson Family Athletic Scholarship Fund was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Ronald and Nancy Henderson of Powell, Ohio.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to supplement the student grant-in-aid scholarship costs of a student-athlete who is pursuing an undergraduate degree at The Ohio State University and is a member of a varsity team. Preference will be given to a high school graduate from Delaware (Ohio) County. The recipient will be selected by the director of Athletics in consultation with the University Committee on Student Financial Aid.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

Establishment of Named Endowed Funds (contd)

The Henderson Family Athletic Scholarship Fund (contd)

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board as recommended by the director of Athletics in order to carry out the desire of the donors.

\$25,000.00

L. Michael Howard Fund in Public Policy and Management

The L. Michael Howard Fund in Public Policy and Management was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from L. Michael Howard (B.S.Bus.Adm., *cum laude*, 1972; M.A., 1983).

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to support programs within the School of Public Policy and Management that are deemed the highest priority by the director of the School. The director will report to the donor or the donor's designee annually on the use of the income and the impact of the fund.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board as recommended by the director of the School of Public Policy and Management in order to carry out the desire of the donor.

\$25,000.00

The Fred and Frieda Thiergartner Scholarship Fund

The Fred and Frieda Thiergartner Scholarship Fund was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from The Sherman Trust.

The fund recognizes the commitment of the Thiergartner family to graduate studies in the area of sport and exercise science (exercise physiology).

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall provide dissertation research support to doctoral students in sport and exercise science (exercise physiology). First preference shall be given to students who grew up in rural Ohio. Selection of the recipients shall be made by the dean of the College of Education in consultation with the faculty in sport and exercise science.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board in consultation with the dean of the College of Education in order to carry out the desire of the donors.

\$25,000.00

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

Establishment of Named Endowed Funds (contd)

**The Randall S. Yessenow, M.D. Athletic Scholarship Fund
in Memory of Gayle Yessenow**

The Randall S. Yessenow, M.D. Athletic Scholarship Fund in Memory of Gayle Yessenow was established April 2, 2004, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Dr. Randall S. Yessenow (M.D., 1984).

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to supplement the student grant-in-aid scholarship costs of a student-athlete who is pursuing an undergraduate degree at The Ohio State University and is a member of the varsity football team. The recipient will be selected by the director of Athletics in consultation with the University Committee on Student Financial Aid.

It is the desire of the donor that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board as recommended by the director of Athletics in order to carry out the desire of the donor.

\$25,000.00

Change in Name of Named Endowed Fund

Dr. William J. Meyers Endowed Chair Fund in Endodontics

The College of Dentistry Endowed Chair Fund in Endodontics was established February 7, 2003, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with gifts from Joseph A. Haase, (D.D.S., 1969) of Worthington, Ohio; alumni, faculty and friends. The name was revised April 2, 2004.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be added to the principal until the minimum amount for funding an endowed chair has been reached. At that time, the annual income shall be used to provide salary and program support to a distinguished faculty member in the Section of Endodontics in the College of Dentistry. Selection of the named chair holder shall be made in consultation with the senior vice president for Health Sciences and dean of the College of Medicine and Public Health and the dean of the College of Dentistry with recommendation from the head of the Section of Endodontics.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board in consultation with the head of the Section of Endodontics and the dean of the College of Dentistry in order to carry out the desire of the donors.

REPORT ON UNIVERSITY DEVELOPMENT (contd)

THE OHIO STATE UNIVERSITY FOUNDATION (contd)

Change in Name and Description of Named Endowed Fund

**The Robert and Mary Reusché Colleges of Arts and Sciences Scholar
Endowed Scholarship Fund**

The Robert and Mary Reusche Humanities Scholar Endowed Scholarship Fund was established March 2, 2001, in accordance with the guidelines approved by the Board of Directors of The Ohio State University Foundation, with a gift from Robert (B.S.Bus.Adm., 1949) and Mary (B.S.Bus.Adm., 1950) Reusché. The name and description were revised April 2, 2004.

All gifts are to be invested by the Foundation, under the rules and regulations adopted by the Foundation's Board of Directors, with the right to invest and reinvest as occasion dictates.

The annual income shall be used to provide need-based scholarship support to a student or students participating in the Colleges of Arts and Sciences Scholars Program. The Colleges of Arts and Sciences Scholars Program provides enriched study of the arts and sciences for selected undergraduate students interested in majoring in these areas of study. Students participating in the Arts and Sciences Scholars Program come from the top 20 percent of their high school class and have an ACT score of 25 or higher (SAT score above 1140). The scholarship will be awarded in consultation with the University Committee on Student Financial Aid.

It is the desire of the donors that this fund should benefit the University in perpetuity. If the need for this fund should cease to exist or so diminish as to provide unused income, then another use shall be designated by the Foundation Board as recommended by the executive dean of the Arts and Sciences in order to carry out the desire of the donors.

REQUEST FOR DESIGN AND CONSTRUCTION AUTHORIZATION

Resolution No. 2004-126

REQUEST FOR DESIGN AUTHORIZATION

COLLEGE OF DENTISTRY FEASIBILITY STUDY
GRAVES HALL 3RD FLOOR – BIOMEDICAL INFORMATICS
OARDC – EXTERIOR BUILDING SIGNAGE
STARLING LOVING HALL CLINICAL TRIALS AREA

REQUEST FOR CONSTRUCTION AUTHORIZATION

COMPREHENSIVE CANCER CENTER – CHILLER REPLACEMENT
KOTTMAN HALL – 103 CLASSROOM RENOVATION
LIMA CAMPUS – GALVIN HALL 4TH FLOOR RENOVATION
LINCOLN AND MORRILL TOWERS WALKWAYS
MANSFIELD CAMPUS - REPLACE/RENOVATE ROOFS
OARDC – EXTERIOR BUILDING SIGNAGE
OSU ICE RINK RENOVATION
WEXNER CENTER – BUILDING RENOVATIONS

Synopsis: Authorization to enter into bids for the College of Dentistry Feasibility Study, and authorization to enter into design contracts for Graves Hall 3rd Floor – Biomedical Informatics, OARDC – Exterior Building Signage, Starling Loving Hall Clinical Trials Area, and construction contracts for Comprehensive Cancer Center – Chiller Replacement, Kottman Hall – 103 Classroom Renovation, Lima Campus – Galvin Hall 4th Floor Renovation, Lincoln and Morrill

REQUEST FOR DESIGN AND CONSTRUCTION AUTHORIZATION (contd)

Towers Walkways, Mansfield Campus - Replace/Renovate Roofs, OARDC – Exterior Building Signage, OSU Ice Rink Renovations, and Wexner Center – Building Renovations is requested.

WHEREAS the University desires to perform a feasibility study to evaluate the facilities and space requirements for the College of Dentistry; and

WHEREAS the preliminary cost estimate of the study is \$250,000 with funding to be provided by the College of Dentistry (\$125,000) and University Central Funds (\$125,000); and

WHEREAS the University desires to renovate the third floor of Graves Hall to develop research facility space; and

WHEREAS the preliminary project cost estimate is \$300,200 with funding to be provided by the College of Medicine and Public Health general funds; and

WHEREAS the University desires to upgrade the exterior building signage at the OARDC facility; and

WHEREAS the preliminary project cost estimate is \$32,000 with funding to be provided by HB 675; and

WHEREAS the University desires to renovate the first floor of Starling Loving Hall to accommodate a Clinical Trials area; and

WHEREAS the conceptual project cost is \$2,329,371 with funding for the design fees to be provided by the College of Medicine and Public Health general funds, and funding for construction costs to be determined at the conclusion of design work; and

WHEREAS the University desires to replace the chiller at the Comprehensive Cancer Center; and

WHEREAS the construction document project cost is \$400,000 with funding to be provided by HB 675; and

WHEREAS the University desires to renovate classroom space in room 103 of Kottman Hall; and

WHEREAS the construction document project cost is \$680,733 with funding to be provided by HB 675; and

WHEREAS the University desires to renovate administrative and classroom space on the fourth floor of Galvin Hall on the Lima Campus; and

WHEREAS the construction document project cost is \$367,657 with funding to be provided by HB 850; and

WHEREAS the University desires to replace the eastern elevated walkways to Lincoln and Morrill Towers; and

WHEREAS the project scope has increased to include the sidewalk repair and renovation on the sidewalks to the north and south; and

WHEREAS the revised construction document project cost is \$1,008,500 with funding to be provided by HB 790 (\$195,000), HB 748 (\$60,000), HB 675 (\$600,000), University repair and renovation funds (\$38,500), and future University bond proceeds (\$115,000) with debt service to be provided by Student Affairs; and

WHEREAS the University desires to repair the roofs of the Physical Activities Center and Fallerius Technical Education Center at the Mansfield Campus; and

REQUEST FOR DESIGN AND CONSTRUCTION AUTHORIZATION (contd)

WHEREAS the construction document project cost is \$419,054 with funding to be provided by HB 675 (\$133,900), Mansfield Development Funds (\$126,554), and North Central Technical College (\$158,600); and

WHEREAS the University desires to upgrade the exterior building signage at the OARDC facility; and

WHEREAS the preliminary project cost estimate is \$32,000 with funding to be provided by HB 675; and

WHEREAS the University desires to renovate and upgrade the facilities at the OSU Ice Rink; and

WHEREAS the construction document project cost is \$1,187,072 with funding to be provided by the Athletics Department; and

WHEREAS the University desires to renovate and retrofit the Wexner Center for the Arts to correct building envelope and system problems; and

WHEREAS the costs have increased to include replacement of curtain wall and air handlers; and

WHEREAS the revised project cost is \$14,500,000 with funding to be provided by University bond proceeds (\$11,000,000) with debt service to be paid by University Central Funds, and \$3,500,000 from Central Capital Reserves:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to enter into contracts for the College of Dentistry Feasibility Study, in accordance with established University and State of Ohio procedures, with all actions to be reported to the Board at the appropriate time; and

BE IT FURTHER RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to enter into design contracts for the Graves Hall 3rd Floor – Biomedical Informatics, OARDC – Exterior Building Signage, Starling Loving Hall Clinical Trials Area projects in accordance with established University and State of Ohio procedures, with all actions to be reported to the Board at the appropriate time; and

BE IT FURTHER RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to enter into construction contracts, if satisfactory bids are received, for Comprehensive Cancer Center – Chiller Replacement, Kottman Hall – 103 Classroom Renovation, Lima Campus – Galvin Hall 4th Floor Renovation, Lincoln and Morrill Towers Walkways, Mansfield Campus - Replace/Renovate Roofs, OARDC – Exterior Building Signage, OSU Ice Rink, and Wexner Center Building Renovations projects in accordance with established University and State of Ohio procedures, with all actions to be reported to the Board at the appropriate time.

(Background information and maps on file in the Board Office.)

PURCHASE OF REAL PROPERTY

Resolution No. 2004-127

**FOUR ALLEY RIGHTS OF WAY
NORTHEAST OF KENNY ROAD AND LANE AVENUE
COLUMBUS, OHIO**

Synopsis: Authorization to purchase unimproved real property located northeast of the intersection of Kenny Road and Lane Avenue in Columbus, Ohio, is requested.

WHEREAS the Board of Trustees of The Ohio State University is presented with an opportunity to purchase approximately 0.54 acre of unimproved real property located northeast of Kenny Road and Lane Avenue in Columbus, Ohio, owned by the City of Columbus; and

WHEREAS the average appraised value of this property is \$91,425.00 and the City of Columbus has offered to sell the property at that price; and

WHEREAS the acquisition of this property is necessary for construction of the planned Physical Facilities garage and shop facility, and the appropriate University offices have determined that the purchase of this property is in the best interest of the University; and

WHEREAS funding for the acquisition of this property will be provided from the Land Purchase Account:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized, in the name of the State of Ohio for the use of The Ohio State University, to purchase from the City of Columbus, Ohio, the approximately 0.54 acre of unimproved real property located northeast of Kenny Road and Lane Avenue in Columbus, Ohio, at a purchase price of \$91,425.00, plus fees and closing costs, upon such terms and conditions as are deemed to be in the best interest of the University, subject to the University receiving the necessary approvals from the Ohio Board of Regents and the State Controlling Board.

(Background information and map on file in the Board Office.)

**SANITARY SEWER EASEMENT
MANSFIELD, OHIO**

Resolution No. 2004-128

Synopsis: Authorization to grant a temporary construction easement to the City of Ontario, Ohio, and a 25-year sanitary sewer line easement to the City of Mansfield, Ohio, is proposed.

WHEREAS the City of Ontario has requested a temporary easement for the construction of certain improvements, installations, enhancements, facilities and equipment related to a sanitary sewer line across property owned by the State of Ohio, for the use and benefit of The Ohio State University at the Mansfield Campus; and

WHEREAS the sanitary sewer line will be connected to a City of Mansfield sanitary sewer line, and the City of Ontario has requested a 25-year easement to the City of Mansfield to maintain, operate, and repair this sanitary sewer line; and

WHEREAS the City of Ontario will construct a bicycle path over the easement area for the use by the Mansfield Campus as consideration for the grant of the easement; and

**SANITARY SEWER EASEMENT
MANSFIELD, OHIO (contd)**

WHEREAS the appropriate University offices have determined that the grant of these easements is in the best interest of the University:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to request the Deputy Director of Public Works of the Department of Administrative Services, pursuant to his or her statutory duties, to act for and on behalf of the University in developing and executing the necessary legal instruments to provide for these easements.

(See Appendix XLV for background information and map, page 1113.)

MAINTENANCE AND RENEWAL OF UNIVERSITY FACILITIES

Resolution No. 2004-129

Synopsis: An endowment to fund maintenance and renewal of University General Fund facilities and the development of plans to fund facility renewal for major auxiliary operations and regional campuses is proposed.

WHEREAS in March 2002, the Board of Trustees adopted a policy to provide for scheduled maintenance and renewal of University space added since the base year of FY 2000; and

WHEREAS in consultation with the appropriate University offices and committees, the Office of Business and Finance has proposed a plan for funding this needed renewal of University facilities as outlined in the attached materials; and

WHEREAS for General Fund units, there would be established a University Endowment for Scheduled Maintenance and Renewal, funded by a surcharge on all General Fund space, to provide for continuing renewal of General Fund space; and

WHEREAS this Endowment would be a restricted fund (the principle of which would be invadable) to be used only for this purpose; and

WHEREAS each major auxiliary operation and each regional campus and OARDC and ATI is to develop a plan for funding its scheduled maintenance and renewal, which plan could include participation in the Endowment, and all such plans are to be submitted to the University administration for approval; and

WHEREAS funds in this Endowment, including funds through participation by auxiliaries and regional campuses, OARDC, and ATI, and funds otherwise set aside by these areas, could be used only if the appropriate maintenance and renewal plan has been approved and only upon the specific approval of the University administration:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves the establishment of an Endowment for Scheduled Maintenance and Renewal of all General Fund space added since FY 2000 to be funded by a surcharge on all General Fund space; and

BE IT FURTHER RESOLVED, That the Board directs that each major auxiliary operation, regional campus, OARDC, and ATI develop a plan and funding mechanism for scheduled maintenance and renewal of facilities for approval by the Executive Vice President and Provost and the Senior Vice President for Business and Finance no later than June 30, 2004, and that

MAINTENANCE AND RENEWAL OF UNIVERSITY FACILITIES (contd)

such plans may include the purchase of shares in the Endowment for Scheduled Maintenance and Renewal; and

BE IT FURTHER RESOLVED, That the University report annually to the Board of Trustees on the status of the Endowment.

(Background information on file in the Board Office.)

LINE OF CREDIT TO CAMPUS PARTNERS

Resolution No. 2004-130

Synopsis: Authorization to establish a line of credit to Campus Partners is proposed.

WHEREAS since 1995 the Board of Trustees has recognized the critical need for revitalization of the High Street and residential areas adjacent to the Columbus Campus and the importance in that effort of the initiatives of Campus Partners for Community Urban Redevelopment, Inc.; and

WHEREAS in 1997 the Board authorized the release of \$25 million in Endowment funds for various Campus Partners initiatives, including the South Campus Gateway project and that important project is under construction, with completion anticipated in the summer of 2005; and

WHEREAS to support and complement that investment, the Board recognizes the need for continued revitalization programs and appropriate investment by Campus Partners in the neighborhoods surrounding the Gateway project, including appropriate acquisition of real property in these areas; and

WHEREAS specific investment and property acquisition would be subject to approval by the Campus Partners Board and the University's Campus Partners Oversight Committee; and

WHEREAS to assist in this effort Campus Partners has requested that the University establish a line of credit in the amount of \$5,000,000, to be made available to Campus Partners for this purpose:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees authorizes the University to establish a line of credit to Campus Partners up to \$5,000,000 as additional funding for continued neighborhood revitalization programs, including appropriate investment in and acquisition of real property in the areas surrounding the South Campus Gateway project, to be released as directed by the Oversight Committee; and

BE IT FURTHER RESOLVED, That this line of credit shall be subject to the policy and principles regarding debt and lines of credit adopted by this Board at its meeting on December 5, 2003, and shall be subject to whatever further provisions amending the memorandum of understanding of May 1, 1997, as the Oversight Committee shall determine appropriate.

LINE OF CREDIT TO MEDOHIO HEALTH, INC.

Resolution No. 2004-131

Synopsis: Authorization to establish a line of credit to MedOhio Health, Inc., is proposed.

WHEREAS in February 1995, the Board of Trustees authorized The Ohio State University Health System to enter into an agreement with MedOhio Health, Inc., for the provision of a home health care program for patients served by the Health System; and

WHEREAS pursuant to authorization by the Board of Trustees, the University Health System has loaned and given a line of credit in the total amount of \$4,200,000 to MedOhio Health for the purpose of developing and operating the home health care program; and

WHEREAS MedOhio Health has developed and implemented a home health program for the patients served by the Health System; and

WHEREAS this home health program provides a valuable and needed service to the patients, ensures continuity of care, and offers teaching and research opportunities to The Ohio State University; and

WHEREAS MedOhio Health has requested an additional line of credit to support its growth and to meet its variable cash flow needs; and

WHEREAS the University Hospitals Board has recommended that the University establish an additional \$875,000 line of credit to be made available to MedOhio Health for use in the home health care program:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees authorizes the University Health System, in accordance with and subject to the policy and principles regarding debt and lines of credit adopted by this Board at its meeting on December 5, 2003, to establish a line of credit to MedOhio Health, Inc., up to \$875,000 as additional funding for the continued implementation of the home health care program, to be released as directed by the Chief Financial Officer of the Health System.

BOARD OF TRUSTEES GOVERNANCE CONSULTANT

Resolution No. 2004-132

WHEREAS we are living in an era of enormous public and private scrutiny of both public and private institutions. The U.S. Congress passed the Sarbanes-Oxley Act which has placed significant emphasis on board oversight and the ways boards carry out their obligations and fiduciary duties; and

WHEREAS The Board of Trustees of this great public university has decided to retain an independent outside advisor to assist the board in reviewing the areas of the Sarbanes-Oxley Act which are relevant in exercising our fiduciary duties. In addition, such advisor will assist us on other board governance matters; and

WHEREAS in seeking such an advisor, we needed someone with extensive knowledge and experience of this great university and higher education. Other selection criteria included having private corporate board experience, including serving on both governance and audit committees. Finally, as stewards of this great university, we wanted to be as efficient and effective on fiscal matters as we can, and as such, we wanted someone who possessed such financial skills:

BOARD OF TRUSTEES GOVERNANCE CONSULTANT (contd)

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees has selected Dr. Edward H. Jennings, former president of Ohio State University, who has graciously accepted this advisory role. He will work closely with our board and our president in the performance of the above obligations.

Upon motion of Ms. Hendricks, seconded by Mr. McFerson, the Board of Trustees adopted the foregoing resolutions by unanimous roll call vote, cast by Messrs. Sofia, Slane, McFerson, Borror, O'Dell, and Judge Duncan, Mses. Hendricks and Davidson.

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**UPDATE ON THE FEDERATION OF THE
COLLEGES OF THE ARTS AND SCIENCES**

Interim Provost Barbara Snyder:

It is my great honor and personal privilege to be able to make this introduction. As Dr. Holbrook mentioned, we are losing executive dean Michael Hogan to the University of Iowa, which is very fortunate to be getting a wonderful provost. He has been serving since July 1 as executive dean for the Federation of the Colleges of the Arts and Sciences, leading one of our most important initiatives, bringing together the five Colleges of the Arts and Sciences that we hope will ultimately increase both their strength and visibility inside and outside the campus. They are, of course, the core of what we do at the University, both for our undergraduate and graduate students.

Mike has done a wonderful job this year pulling together and starting this brand new initiative before he leaves for Iowa. Today, he is going to tell us about all of the things he and his team have accomplished during this period of time. Again, it is my great honor to introduce executive dean Michael Hogan.

Executive Dean Michael J. Hogan:

Thank you, Mr. Chairman, President Holbrook, and members of the Board. I am very happy to be with you one more time to give you a little update on where we are with the new Federation of the Colleges of the Arts and Sciences.

Usually I am the kind of person that gets to the end of a year like this and sort of wishes I had been able to get more done. I will always feel that way, but I think in trying to pull together some of the things we have been working on this year in our report to you -- especially the first half of the report -- we actually did get quite a few things done, even though I always wish we had been able to do more.

I will start by telling you about some of the things we have accomplished this year and this comes out of the first Report of the Executive Dean to the Provost. That report was delivered yesterday. I will be glad to leave a copy as well with the Board Office, so that you can read in more detail what the new Federation has been up to in the last nine months. So let me begin with a little summary of what we have done and then end by talking about what I see as some of the challenges that lie ahead.

As I reported last July, we established a new and very small Office of the Executive Dean in University Hall. We have done that without adding to the overall bureaucracy in the Arts and Sciences, as was required by the White Paper. We have managed to accomplish that by moving our staff -- both professional staff, as well as our faculty administrators along with their salaries

**UPDATE ON THE FEDERATION OF THE
COLLEGES OF THE ARTS AND SCIENCES (contd)**

Executive Dean Hogan: (contd)

and benefits -- out of their college offices over to the new Office of the Executive Dean. That office is now up and running.

Over the last three or four months, we have spent a good bit of time talking with our colleagues in the Architect's Office, in Physical Facilities, and with a private architectural firm that we have contracted, to lay a plan for the redesign of parts of the first and second floor of University Hall. So that all of the college offices can be co-located in that same space.

As you know, from the Jennings' committee report and the White Paper, we are somewhat over-administered in the Arts and Sciences compared to our benchmark institutions. That is not just because we have five different Arts and Sciences colleges, but also because we have them in five different locations. So if we are able to move ahead over the next several months in co-locating the colleges in University Hall, that will make it possible for us to begin building a kind of team spirit among the deans, creating a new Arts and Sciences identity that should be as compelling as the separate college identities and ought to make it possible for us to share staff and resources. As we do that, we should be able to achieve some economies and efficiencies, as well as some synergies going forward. I strongly encourage the University and the Provost's Office, to continue what has been strong support so far for this effort at co-location.

Also over the last several months, we have literally invented from scratch a new governance mechanism for the Arts and Sciences. This was called for in the White Paper, which asked me to take the lead in drafting a new pattern of administration for the Arts and Sciences. In consultation with the deans, I did that and we posted the results on our website. We sought faculty advice and suggestions from all across the Arts and Sciences. We reconvened the long dormant Arts and Sciences Faculty Senate to engage it in this process of drafting a pattern of administration. We finally completed that process and submitted the results to the Office of the Provost, which approved the new pattern of administration early this year.

We are now in the process of appointing faculty and staff to a whole series of committees that will operationalize this governance structure in the months ahead. For example, a new diversity committee or a new staff advisory committee. I picked those two because not all of the Arts and Sciences colleges have such committees, which I think should exist and will now exist at the Federation level.

In particular, I want to mention a new faculty leadership council. This is a committee dominated by faculty who are elected to the position by their colleagues across the Arts and Sciences. This council will have as their responsibility to advise the executive dean on all aspects of Arts and Sciences' policy going forward. I think it is going to be the first time in the Arts and Sciences -- and maybe the first time in the University -- where a dean's advisory committee is going to be largely dominated by elected faculty officials. We did that in order to help create a faculty sense of identity with the new Federation and to empower the faculty to be active in the development of this important enterprise.

We have done the same thing with the curriculum. As I mentioned earlier, we reconvened and reinvigorated a long dormant Arts and Sciences Faculty Senate. We revised the charter of that Faculty Senate and have embedded that charter

**UPDATE ON THE FEDERATION OF THE
COLLEGES OF THE ARTS AND SCIENCES (contd)**

Executive Dean Hogan: (contd)

as an attachment in our pattern of administration. For the first time, the Arts and Sciences Faculty Senate is officially recognized by the governance document of the new Federation. In doing so, we built into our new pattern of administration and into the charter for the Faculty Senate, the University rule that recognizes faculty jurisdiction over the curriculum of the Arts and Sciences. Again, we tried to operationalize that jurisdiction by creating a much more enlarged Arts and Sciences committee on instruction and curriculum. This committee consists largely of elected faculty members, which has been very active already this year in reenergizing, reforming, and reorganizing the curriculum across the Arts and Sciences.

Let me give you a couple of examples. We have already managed to launch this spring 25 new freshman seminars and hope to increase that number to 60-90 by this time next year. We have completely reorganized the Arts and Sciences curriculum office so that it serves our faculty and students more effectively and efficiently. We developed a template for promoting new interdisciplinary minors and majors that range across the Arts and Sciences. We have actually launched three new undergraduate interdisciplinary minors this spring and we will have about six more in place by this time next year. We also have launched a new freshman common book project in the Arts and Sciences.

In all of these ways we have been able to reengage the faculty and the curriculum of the Arts and Sciences. Including a very active program of assessing the outcome of our GEC instruction to make sure that our GEC courses are actually doing what they are supposed to be doing.

We have also been active on the extracurricular side of the undergraduate program. We started out this year with about 1,800 internships for Arts and Sciences students, we are up to 2,300 at this point, and expect to have 2,800 next year.

Among other things, we have formed a new partnership between the scholars program and the Arts and Sciences -- which now reports to the executive dean -- and the Children's Hunger Alliance of Ohio. We will have a whole series of joint activities that I hope will help inculcate in our undergraduate students a sense or spirit of community service, an engagement as a community and volunteerism that they will take with them when they leave Ohio State for their communities.

We have also been very active with faculty in promoting a whole series of issues of interest to them. Of course, they are very happy to see themselves reengaged and have their jurisdiction recognized in curricular areas. They are also as happy as the students to get involved in many of these new undergraduate interdisciplinary minors and majors that we are launching.

We cooperated and struck a partnership with the Offices of the President and Research in managing and funding a very successful new series of interdisciplinary seed and research grants to faculty, particularly, in the arts and humanities. I hope that program will continue and maybe expand into the social sciences next year.

In all of these and other ways, you can see the value added of a new Federation. Some of these things getting done for the first time that could not have been done otherwise. Let me shift gears a little and talk about what I see as some of the challenges going forward.

**UPDATE ON THE FEDERATION OF THE
COLLEGES OF THE ARTS AND SCIENCES (contd)**

Executive Dean Hogan: (contd)

The first is going to be giving the executive dean of the Colleges of the Arts and Sciences a legitimate role to play in the promotion and tenure process. As you know, this was called for in the White Paper. It envisions a rule change, which I hope will happen and we can go forward. It is hard for me to imagine a dean, let alone an executive dean, being fully empowered without some legitimate degree of involvement in issues relating to tenure and promotion.

Secondly, it will be important over the next few months to institutionalize and establish the budget authority of the executive dean. We have made some progress in this direction with support from the Provost's Office this year. The Executive Dean's Office managed the distribution of Success Challenge money across the Arts and Sciences. The new technology set-aside funds was also distributed and managed by the executive dean. We are now just entering the new budget season going forward, and a real value added of the Federation will lie in the ability of the executive dean to fix base budgets and to move resources across college boundaries. To be able to focus those resources on the academic priorities identified in the Academic Plan.

Finally, the last challenge I would mention has to do with the pooling of central services in the Arts and Sciences. As you know, the White Paper, and the Jennings' committee report before it, called for reduction of between \$500,000 and \$1 million in administrative overhead in the Arts and Sciences. This is not savings for its own sake, it is an effort to reallocate resources away from administrative purposes and put behind our academic goals.

With this in mind, I established three working groups to look at the possibility of somewhat eliminating, or at least downsizing, the duplicate services that exist in all the college offices by pooling those services at the center. One committee looked at business operations, another at computing and instructional technology, and still another at communications and alumni relations. We have two of the reports in hand right now and they are attached to the annual report, which I have submitted to the provost.

I want to congratulate the committees for their hard work. Believe me, the committees wrestled with a tough and difficult assignment. They have issued a report that I think takes modest but positive steps in the right direction, yet I still think that more progress will have to be made going forward over the course of next year. It will take a pretty strong will on the part of the executive dean, considerable support from the Provost's Office, and, of course, continued encouragement from the Board of Trustees.

So that summarizes what you can read in more detail in the annual report. I would be glad to respond to any comments and questions.

Mr. Sofia:

Thank you, Mike. Any questions?

Mr. McFerson:

I would just say congratulations. You have really served this University beautifully and so well. We will miss you, but wish you well. At least you are going to be an "eye;" from a Buckeye to a Hawkeye!

**UPDATE ON THE FEDERATION OF THE
COLLEGES OF THE ARTS AND SCIENCES (contd)**

Mr. McFerson: (contd)

As you talk about these challenges going forward, Michael, I am sitting here thinking of the similarities and differences between a university environment and the private sector, which is my background. But how important it is to be able to breakdown these silos and be able to help folks work together for a common cause. In the University setting you have this fierce independence that comes often with tenure, which is critically important. We clearly understand that, but sometimes it also is an obstacle to moving forward.

My best wishes to you and the successors to eliminate these silos, because you will make more progress than anyone can possibly imagine by working together.

Mrs. Davidson:

I wanted to add onto what Dimon said and say how much we have appreciated all of your good work and taking on the leadership particularly, Mike, in this new role. It was very much appreciated by the members of the Board of Trustees. We hope you will come back to visit us once in awhile. We do give you our very best wishes and grateful thanks.

Executive Dean Hogan:

I thank you for your kind words and best wishes. As you know, I am a native of Iowa, but it is also true that I have lived in Ohio as long as I ever lived in Iowa. It is true that I did all of my graduate work at the University of Iowa, but one of the things that I am most proud of is the fact that I built a very strong graduate program in my field here at Ohio State. I have graduated 28 Ph.D.s who are now teaching all over the country. It is true that my children were born in Iowa City, but it is also true that all four of them are graduates of The Ohio State University.

So you can see this is not an easy decision for me to make. I feel that the University has given me one great opportunity after another: to write good books; to have the benefit of one of the great libraries; and to work with some of the best faculty in the entire world, teachers and scholars alike. I feel that I have had a great opportunity to work with colleagues to make a good History department even better, a good humanities college even better.

I have been honored to be executive dean the last three years and to play a role in getting this new Federation off the ground. I think you would find it very difficult to find a faculty member anywhere in the University, here or elsewhere, who has had so much support and confidence put in him by the leadership of the University, including this Board. I just want to say how much I appreciate that. Thank you.

Mr. Sofia:

Mike, now it is my turn to say a few things. I would like to take this opportunity to recognize Dean Michael Hogan for his many contributions to Ohio State. As you know, Mike is leaving, as he said, to become the provost at the University of Iowa. As the leadership at the University of Iowa noted in their hiring of Mike, and as Barbara said, they were delighted to attract him back to the university where he earned his master's and doctoral degrees.

Mike's tenure at Ohio State has been characterized by exceptional teaching, research, and leadership. He is an internationally recognized scholar in the field

**UPDATE ON THE FEDERATION OF THE
COLLEGES OF THE ARTS AND SCIENCES (contd)**

Mr. Sofia: (contd)

of American diplomatic history. He is the author or editor of nine books, including *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952*, which won three major prizes in his field. He served for 15 years as the editor of *Diplomatic History*, an international journal of record for specialists in diplomacy and foreign affairs.

He has served on numerous editorial boards and as president of the Society for Historians of American Foreign Relations. He has served on the U.S. Department of State Advisory Committee on Diplomatic Documentation, which he chaired for three years. In addition, Mike has been a Fellow at the Harry S. Truman Library Institute and the Woodrow Wilson International Center for Scholars.

His scholarship and teaching have been recognized by the Society for Historians of American Foreign Relations, which awarded him the Bernath Lecture Prize in 1984. In 1990 he won this University's Distinguished Scholar Award, the highest award for scholarly distinction conferred on members of the faculty.

Mike has served Ohio State University superbly in a number of administrative positions. He led the Department of History as chair from 1993-99, he provided exceptional leadership as dean of the College of Humanities from 1999-2003, and in 2001 he took on the position as executive dean of the Colleges of the Arts and Sciences, and finally brought his leadership skills to bear as the first executive dean of the Federation of the Colleges of Arts and Sciences.

He has strengthened the stature of the University in the community by attracting distinguished alumni and citizens throughout the country to serve on the Arts and Sciences Advisory Council. I am honored to be one of those individuals, along with many in our community here in Columbus and Chicago. He has energized them to promote Ohio State and to contribute generously to the various Colleges of the Arts and Sciences. In particular, his leadership in moving the World Media and Culture Center forward is a prime example of his stewardship.

Mike's work in all areas has been characterized by his powerful intellect, disciplined approach to significant accomplishment, the highest standards of integrity, and his love for The Ohio State University. Mike is a dedicated educator, a wonderful human being, and someone so many of us here are proud to call our friend. Mike, on behalf of the Board of Trustees, I want to express our appreciation for all that you have done for the University and to wish you every success in your new position as provost at the University of Iowa.

Executive Dean Michael Hogan:

Thank you.

EXPRESSION OF APPRECIATION

WHEREAS Michael J. Hogan has served The Ohio State University with distinction since 1986, as an exceptional scholar, teacher, and administrator; and

WHEREAS Michael Hogan has brought distinction to the Department of History as one of the nation's leading scholars in the field of diplomatic history, having written and edited numerous books, including *The Marshall Plan: America, Britain, and the Reconstruction of Western Europe, 1947-1952*, which won three major prizes; and

EXPRESSION OF APPRECIATION (contd)

WHEREAS Michael Hogan served as the editor of the leading journal in his field, *Diplomatic History*, for 15 years and has served on numerous editorial boards, as well as serving as president of the Society for Historians of American Foreign Relations and chair of the U.S. Department of State Advisory Committee on Diplomatic Documentation; and

WHEREAS Michael Hogan has provided exceptional academic leadership to The Ohio State University, first as chair of the Department of History from 1993-1999, then as Dean of the College of Humanities from 1999-2003, also serving as Executive Dean of the Colleges of the Arts and Sciences from 2001-2003, and finally serving as first Executive Dean of the Federation of the Colleges of the Arts and Sciences from 2003 until 2004; and

WHEREAS in each and every capacity Michael Hogan's work in all areas has been characterized by his powerful intellect, disciplined approach to significant accomplishment, the highest standards of integrity, and his love for The Ohio State University; and

WHEREAS Michael Hogan is retiring from The Ohio State University as Professor Emeritus and assuming the position as Provost at the University of Iowa:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees acknowledges its high esteem and heartfelt appreciation to Michael J. Hogan for his exemplary service, his dedication to the highest standards and principles, and extends to him and his spouse Virginia, all good wishes for success and happiness in his new position.

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JAMES CANCER PROGRAM EXPANSION PRESENTATION

Dr. Fred Sanfilippo: [PowerPoint Presentation]

Chairman Sofia, President Holbrook, and members of the Board, we are very pleased this morning to bring forward a proposal for the expansion of the cancer program at OSU, which is the next logical step in a planning process that was begun over a year ago.

What we plan to do here this morning is: 1) I will present a summary of the process that got us here today; 2) Drs. Schuller and Caligiuri will take us through the rationale and feasibility of the proposal; and 3) Bill Shkurti will review the specific proposal before you and our planned next steps.

Clearly the cancer program, consisting of the James Cancer Hospital and the Comprehensive Cancer Center has been the most successful program at OSU in integrating our missions of patient care, education, and research. As a matter of fact, it has been an exemplary model for other programs, most notably the OSU Heart Center, consisting of the Davis Heart and Lung Research Institute and the Ross Heart Hospital.

This planning process began last year, initially at multiple levels: the level of The James, the Comprehensive Cancer Center, the OSU Health System, and the Medical Center. It was driven by the realization that expansion and growth of the cancer program was necessary to meet the needs of our patients, students, and faculty, and to support the goals of the Academic Plan of the University.

Last fall, I appointed a steering committee co-chaired by Drs. Schuller and Caligiuri and a workgroup co-chaired by Dennis Smith and Jeff Walker. Dennis and Jeff are here this morning and I would like them to stand and be recognized for their tremendous work that has just begun. We charged both this committee

JAMES CANCER PROGRAM EXPANSION PRESENTATION (contd)

Dr. Sanfilippo: (contd)

and workgroup to bring forward an integrative plan for expanding the cancer program by leveraging strengths and opportunities throughout the University and the Medical Center. The work of these planning groups has simply been exemplary and resulted in a comprehensive assessment of needs and opportunities that you will hear shortly.

I would like to point out that this process has involved substantial input and discussion at multiple levels across the University and the Medical Center, including the boards of directors of both The James and the University Hospitals, the Health System Executive Committee, the James Foundation, the Executive Committee of the Medical Center, the Strategic Planning Group of the Medical Center, the Provost's Coordinating Council, and the President's Planning Cabinet. As you know, we have presented updates to you at the last two Fiscal Affairs Committee meetings of the Board of Trustees.

In summary, I believe this plan has been developed to provide maximum benefit to the University, the Medical Center, and ultimately the people of Ohio and beyond. I am delighted now to turn this over to our two leaders of the cancer program at OSU: Dr. Michael Caligiuri, director of the Comprehensive Cancer Center, and Dr. David Schuller, the executive director of the James Cancer Hospital, who will present the rationale and the feasibility proposal.

Dr. Michael A. Caligiuri:

Thank you, everyone. This is about expanding what is an outstanding program, so vital to our mission, and about research, providing thrust for outstanding educational opportunities and patient care.

I think everyone knows that about 25-30 years ago, if someone was given a diagnosis of cancer we all tended to look the other way. We knew very few people successfully living with cancer or having been cured of cancer. Today, I am certain that virtually everyone in this room has been touched by cancer and/or knows someone living successfully with cancer or cured of cancer. This is just a reminder that research and driving the cancer agenda and driving the cure to cancer do, in fact, make a huge difference, as we can all witness today.

We are going to review for you our proposal for expansion. What I would like to do is start out with some of the credentials that we currently have at Ohio State University with regard to our cancer program. We have one of the few National Cancer Institute-designated comprehensive cancer centers. You will hear in the community, and in communities elsewhere, that there are many, many cancer centers, but there are only 38 in the entire United States of America that have the designation from the National Cancer Institute as being fully comprehensive. This means we have in addition to therapy at OSU, outstanding programs in basic and translational research, things that bring treatments to the clinic, as well as tremendous outreach efforts with regard to education and prevention.

Our cancer hospital, within the Comprehensive Cancer Center, is one of the only freestanding cancer hospitals. It is the only freestanding cancer hospital in the Midwest and only one of 10 in the entire United States. Despite its freestanding nature, it is highly integrated with the rest of the Medical Center and nationally ranked by *U.S. News and World Report*.

With regard to our research portfolio, we have substantial research funding, nearing \$100 million as of February 2004. It is the largest research program of

JAMES CANCER PROGRAM EXPANSION PRESENTATION (contd)

Dr. Caligiuri: (contd)

the entire Medical Center – 50 percent of the Medical Center's research portfolio and, as equally important, 20 percent of OSU's entire research portfolio.

Substantial research activity is within programs that extend beyond the Medical Center. Almost a quarter of our work goes outside of the boundaries of the Medical Center and into the University, as evidenced by the fact that we have 216 research faculty members who are part of our Comprehensive Cancer Center, along with 423 staff and 13 different colleges at The Ohio State University.

With regard to our fiscal responsibility, we wish to make it known that our original debt from The James facility, proposed in the eighties and finished in early 1990, has been retired early. The James now has cash reserves and a positive operating margin.

So why do we need to expand? There are some startling facts about our population in general. That is to say that as we know our population is maturing, people are living longer and longer. What is startling is that there is about a ten-fold higher incidence of cancer in the elderly, both the incidence of cancer and then death from cancers. Importantly, Ohio's incidence of cancer in the aging population is 24 percent higher than that average within the U.S.

Why is that important? It is important because of the drastic growth that we are beginning to see and will see over the decades to come in the population, which is greater than 65 years of age. A greater than doubling of our mature population within the next 40 years and Ohio is no exception to that rule. The cancer in mature populations within Ohio will continue to increase over the next several decades.

Having said that, when one looks at our capacity to meet the needs of this population it is startlingly limited. Here we are looking at our average daily census within our James Cancer Hospital. As you can see by this slide, in the year 2000 we showed an average daily census of 104. That has gone up 31 percent to 135, which is our average daily census now, and we are up to full capacity of 161 on our highest day count. We actually currently have only 158 beds.

In terms of the growth that is expected, the incidence and mortality from cancer -- despite the many, many advances of people getting more and more chemotherapy, radiation therapy, and surgery to live successfully with cancer -- will continue to increase. As can be seen by this slide, our ability to meet that is somewhat limited at this point.

I want to leave you with this slide regarding our research awards. You should note that over the last several years there has been tremendous investment by the Medical Center in the cancer program. We have recruited over 100 new principal investigators, and you can see that our funding has and will continue to escalate.

Importantly, research drives innovative care that we can provide to any person in Central Ohio and beyond as we do apply to every county within the State of Ohio, and 48 of the 50 states in the United States and several countries outside of the United States. We provide highly innovative patient care. So research and the research portfolio drives that innovative care to keep people alive and to cure people with cancer.

JAMES CANCER PROGRAM EXPANSION PRESENTATION (contd)

Dr. Caligiuri: (contd)

Secondly, it provides a wonderful base for our students. We have nearly 400 students who are directly affiliated with the laboratories in the cancer program. We heard from Mr. Alvarez-Breckenridge today, one of our cancer researchers. There are many, many others like him, as well as the thousands of students who our cancer researchers teach on a daily, weekly, and monthly basis. This has a very important impact across the entire University.

What I would like to do at this point is turn this over to Dr. Schuller, who will continue with the presentation.

Dr. David E. Schuller:

Thanks, Mike. Good morning, everybody. We feel that right now we are at a strategic inflection point for our cancer program. Maybe a little historical perspective might help to understand what we are talking about here.

The 1970s were really spent on the heels of the National Cancer Act in 1971, with us competing with other statewide academic medical centers for that designation that Mike described -- to become a National Cancer Institute-designated comprehensive cancer center. We achieved that goal in 1976. We were the 18th such designated comprehensive cancer center and are one of the few nationally that has been able to sustain that designation throughout our entire history. So that was the energy in the 1970s.

In the 1980s came a tremendous effort by University, as well as community, leaders to convince the leadership of the State of Ohio to invest in this University's cancer program. The James Cancer Hospital and Solove Research Institute was built and opened in 1990.

The hospital opening gave us then the opportunity to really accelerate our patient care, as well as our research mission. That provided us with expanded resources that we then reinvested back into continuing to grow the research mission. So the 1990s then brought us to what we now view as this very important inflection point. What we are meaning by that is we feel that these last several years have now set the stage in terms of us developing a certain critical mass of expertise with our faculty recruitments and with the space requirements that we would need to become a truly national power in this area, as well as the technological advancements.

Clearly at this point in time, because of that critical mass, we have that opportunity to accelerate the rate of growth in our research-driven patient care. But quite frankly, folks, the alternative of status quo is not really a possibility. If we do not continue this accelerated rate of progress, we fear that indeed we will lose momentum with loss of some of our nationally recognized cancer researchers.

So what is the vision of our plans for dramatically expanding this cancer program? It is what you see there on the screen: to provide superb patient care that is distinguished by the linkage with our research mission for Ohioans and beyond. We have set certain goals for ourselves that we think will then enable us to change this dream into reality:

- To support the University's Academic Plan, as well as to be tightly integrated with the plans for expansion of our activities throughout the entire Medical Center;

JAMES CANCER PROGRAM EXPANSION PRESENTATION (contd)

Dr. Schuller: (contd)

- To meet the needs of our patients, students, and faculty;
- To concentrate and coordinate our research, educational, and patient care mission that gives us that opportunity to leverage all of that energy and to synergize; and
- To be an economic engine for Central Ohio and beyond.

The tactic that we are going to utilize is what you see stated there. So this is not about expanding a hospital or expanding and developing a new research building. It is about creating a unique physical and intellectual environment that will enable us to accelerate our translational research and expand and improve the treatment opportunities for our patients.

As we have gone through the feasibility study now over the last several months, we have come to make certain observations. As Mike described, there is absolutely no question that the current situation is that we already have maximal demands on our current resources of space, whether it is patient care or laboratory space. We think it is critically important as we anticipate having expanded space on board in the next five to six years to continue though with our accelerated growth. We have a strategy developed during this feasibility time that will enable us to continue to grow and expand our inpatient and outpatient volume, as well as research. Space, as well as funds, has been identified to enable us to continue our growth as we proceed with expanding the space.

There is no question that the Biomedical Research Tower throughout the Medical Center gives us that opportunity for tight integration. We will be an integral part of the Biomedical Research Tower which will then decompress some of the laboratory needs that we will need for our expansion plans in cancer.

That second-to-last bullet is important. That is that with our volume projections that we have done, we feel that we can plan this expansion so that the new space that comes on board will be appropriate to the volume projections in the next five to 10 years. If you will, we certainly will prioritize the matter of "right-sizing" this expansion. There is no question that one of the first things we did with this was to analyze and document the contribution of the cancer program and how it enhances the Academic Plan of the University.

Finally, we need to take a look at the economic ramifications. Right now over the next 10 years the estimate for this total project will be somewhere between \$350-\$400 million. That is a big number and we have taken that quite seriously. One of the things we did during the feasibility activities was to question some of our colleagues and other national cancer programs and to ask them a very simple question: "How much have you spent and are planning to spend in the next five years in investing in your cancer program?" The average for those 10 institutions that we queried was \$374 million. So this planned expansion is aligned with the other national leaders in cancer research.

That project is intended to be driven and funded by the reserves that the Hospitals has been fortunate to develop over the last few years, as well as University bonding capacity that will be repaid by the revenue from the operations of the Hospitals and philanthropy. The community of Ohio State supporters has been extraordinarily supportive and it has truly been a differentiator for us to help us make a difference with our rapid recruitment of world-class researchers. Again, we feel that the breadth and depth of our

JAMES CANCER PROGRAM EXPANSION PRESENTATION (contd)

Dr. Schuller: (contd)

organization will enable us to become competitive for some of the national philanthropic organizations that support cancer research.

Last, but not least, we feel that clearly this will be an economic engine that will be an economic value, not only to Columbus and Central Ohio, but also throughout the state. Conservative estimations of new jobs that this expansion will bring is between 1,600 and 2,600 new jobs of staff, clinical research faculty, and support personnel, with an additional \$150-\$175 million in additional cancer research grants by the year 2015.

This is the progress that has been made to date, which has brought us to the point where we are now seeking action by the Board of Trustees for the next step. I will throw it over to Mr. Shkurti to make that request.

Mr. William J. Shkurti:

Thank you, David. As David and the previous speakers have mentioned, this is really not only a collaboration between The James, the Comprehensive Cancer Center, and the Medical Center, but also with the University. So together, we are asking you to do the following.

First of all we are seeking your approval for a resolution to allow us to go out to advertise for architects and engineers and a construction manager to begin the detailed design process. Meanwhile, we will go ahead with finalizing the site selection as part of the Health Sciences Master Plan. I talked about that in the Fiscal Affairs Committee meeting, where we are going to take a comprehensive look at the whole Health Sciences Center and make sure that, as we move forward with construction and renovation, we are doing so in such a way that makes sense so that patients, faculty, and staff can get in and out, park appropriately, and have access to the services. The timeline for that is probably the next 12-18 months.

Finally, we will be working while the design process is going on to finalize a business plan to bring back to the Trustees prior to asking for your approval for construction. That business plan will have a lot of details that need to be worked out and we will have input from the feasibility study, the facilities plan, and the detailed work the architects and engineers are doing. We expect that to take between 18-24 months, at which point we will come forward for construction. In between we will keep the Board informed as this unfolds so you have a sense of where the project is going.

That completes our formal presentation. If anyone has questions for us, we will be happy to answer them.

Mr. McFerson:

Just to follow one question in the Fiscal Affairs Committee meeting with regard to the siting. I recall that we went back and took a good long second look at siting for the Ross Heart Hospital and what a wonderful job that was. They came back with a terrific plan. I applaud the efforts of really doing a very careful, thorough, and thoughtful job on siting, because you only get one chance to do this. So, it is not to be rushed.

The question I have is for you, Mr. Shkurti. This Board has always been concerned about bonding capacity and our bond ratings and, of course, this is

JAMES CANCER PROGRAM EXPANSION PRESENTATION (contd)

Mr. McFerson: (contd)

going to require access to the bonding capacity of the University. Would you address those issues a bit further?

Mr. Shkurti:

Sure. That is something that has been foremost on our minds as well. This project will go forward in phases. It sounds like a lot of money and it is, but it is spread out over a number of years, so there will be a number of bond issues that will be affected.

I think the important points are: first, that this project was approved on a conceptual basis by the Board in September, along with the Ohio Union and the other projects that were in the other current capital plan. Then the Board approved a target for the next bond issue that would preserve the University's current debt rating at \$400 million in December. So this was taken into account at the time that was set. The next bond issue will probably be some time early in calendar year 2005. Some initial costs from this project and others will be in there, but we are confident we can hit that \$400 million target or beat it. We have to do that to keep our credit rating up.

The second point is future bond issues and we tend to do these about every 18 months. As we go forward from the next bond issue and capital process, we will make sure we align the debt capacity, the bond rating, and what we are doing in capital projects in a timely way to protect our credit rating.

The third point is that the credit rating is not really a fixed number in time, but really a judgment the rating agencies make based on not only our debt, but also the amount of revenue we bring in. So to the degree to which the Medical Center continues to be successful in increasing its patient volume and research, that actually increases the University's debt rating because it increases our ability to pay back those bonds.

Ms. Hendricks:

Where do you think the biggest risks are in the assumptions that you have made in this planning?

Dr. Sanfilippo:

There are multiple risks in this. I would point out that the biggest risk is not doing this. That is a 100 percent risk of not just losing momentum but, frankly, losing many of our best investigators and clinicians and not being able to bring others in.

I think one of the intangibles in all of this is reimbursement for health care. Obviously we benefit by the current PPS exemption. We benefit in some regards by the current level of reimbursement for health services, which every few years comes under various stresses. Most recently the balanced budget amendment has had a very significant impact on reimbursement and disproportionately so on academic medical centers. I think I have presented some of those data to the Board before. These things can happen.

On the flip side, CMS, the payer for Medicare and, to some extent, Medicaid, is really moving strategically with recent legislation from simply reimbursing, in a sense, on a cost basis to operating much more as a payer and looking at out-

JAMES CANCER PROGRAM EXPANSION PRESENTATION (contd)

Dr. Sanfilippo: (contd)

comes. That is their strategy. This is not well known by most of the public, but the legislation that passed, as recently as December, really is moving CMS entirely into that mode. That is good news for us, because one of the things we track very closely in the Medical Center – and the Board has seen some of these data -- is how well we do in terms of outcomes against our benchmark institutions. By benchmarks, I am talking about national benchmarks as well as local benchmarks.

So as reimbursement goes more and more towards being tied to outcomes, that is great. I think that is the most likely trend. So we would mitigate some of the potential reduction in overall reimbursement with it being skewed towards outcomes. I think this would be very good news, first of all for this project in terms of The James, but across the entire Medical Center when we look at our outcomes in other areas as well.

Mr. Sofia:

Fred, you know that two years ago The James accomplished something not many units here at the University do when we finance and issue bonds. I understand every dollar of the debt was paid, plus interest owed to the University. I take it then that in your future business plan and projection, it is going to be focusing also on making sure there is enough cash flow to service a debt from the revenue of the Hospitals and other sources?

Dr. Sanfilippo:

Absolutely, with Bill and many others, literally and figuratively, looking over my shoulder. Obviously, we have to be fiscally responsible. One of the analogies we have used for this project is the combination of what we have done and presented and the Board has approved related to the Heart Hospital and the Biomedical Research Tower. This is a project analogous to the combination of clinical and research facilities. Obviously, we have been very compulsive about making sure we track and keep track of how we are doing in terms of the financing of both of those projects, both of which involved significant debt capacity and bonding activities.

I will point out one of the reasons why we do not have the details of the planning process to go forward, is to look at what that mix of bonding, cash, and philanthropy will need to be. We obviously have to do the studies to estimate and project accurately what the philanthropic support will be, as we do for all our projects. Of course, the Development Office and Jim Schroeder have been very much involved in that process and that will take some time to do. But there is obviously a relationship between cash on hand, operating revenues, and bond rating, which then affects debt service. So these are all interlocking variables that in this planning process we will tease apart and bring forward to the Board our best guess as to what the balance should be between the bonding, as it affects operations and cash reserves because these are all interrelated.

Mr. Sofia:

Fred, as you do that, I would suggest that we be very aggressive in seeking federal and state funding, as well as help from our friends in donations and corporate development. We need to try and minimize as much as we can our debt in the mix of this.

JAMES CANCER PROGRAM EXPANSION PRESENTATION (contd)

Dr. Sanfilippo:

Absolutely. I think the projections that will come forward will be very conservative, as they have been with the Heart Hospital and BRT in those expectations and fortunately, for instance, in the BRT. Some of the funding from those sources have exceeded our expectations, because our expectations in the proposal we brought to the Board were zero. So we will try to be very conservative when we bring these figures forward.

Mr. Sofia:

Any other questions for Fred? We really appreciate this effort from Fred and the leadership of the Medical Center; Bill Shkurti and his financial group; and certainly The James. As you know, The James truly represents "the best of everything." The best in-patient care, the best in research, and the best in discovery. They are compassionate, dedicated, and energetic, and truly a team. Thanks, again, and we hope to see a wonderful business plan in the near future.

**EMPLOYMENT OF ARCHITECT/ENGINEERS AND CONSTRUCTION
MANAGEMENT SERVICES**

Resolution No. 2004-133

CANCER PROGRAM EXPANSION

Synopsis: Authorization to employ architect/engineering firms and construction management services for the expansion of the Comprehensive Cancer Center and the James Cancer Hospital and Solove Research Institute is requested.

WHEREAS the University desires to proceed with the needed expansion of the Comprehensive Cancer Center and the James Cancer Hospital and Solove Research Institute; and

WHEREAS this initiative will create a unique physical and intellectual environment for the Cancer Program that accelerates the growth of translational research, supports the push towards personalized medicine and allows the University to move toward the desired goal of becoming one of the top ten National Cancer Institute funded cancer centers by dramatically expanding cancer prevention, diagnostic treatment and research opportunities for individuals in Ohio and nationally; and

WHEREAS to pursue this plan, the University desires to enter into contracts to provide programming, preliminary design planning, and architectural design services for further development of the cancer program; and

WHEREAS the conceptual planning estimate for this project is \$350,000,000 - \$400,000,000 with funding to be provided by a combination of University bond proceeds, state capital funds, and operating and development funds from the James Cancer Hospital and Solove Research Institute, to be further defined as the project budget is determined; and

WHEREAS the University will finalize the business plan for this project prior to seeking approval to enter into construction contracts for the Cancer Program Expansion project:

NOW THEREFORE

BE IT RESOLVED, That the President and/or Senior Vice President for Business and Finance be authorized to select qualified architectural/engineering/construction management firms as necessary for The Cancer Program Expansion project, provided that no authorization for construction contracts is to be submitted to the Board of Trustees until a comprehensive business plan is approved by the University.

**EMPLOYMENT OF ARCHITECT/ENGINEERS AND CONSTRUCTION
MANAGEMENT SERVICES (contd)**

(Background information on file in the Board Office.)

Upon motion of Mr. Borrer, seconded by Ms. Hendricks, the Board of Trustees adopted the foregoing resolution by unanimous roll call vote, cast by Messrs. Sofia, McFerson, Borrer, O'Dell, and Ms. Hendricks.

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Thereupon the Board adjourned to meet Friday, May 7, 2004, at The Ohio State University Longaberger Alumni House, Columbus, Ohio.

Attest:

David O. Frantz
Secretary

Zuheir Sofia
Chairman



Compensation Benchmarks

Report to the Board of Trustees

April 2, 2004

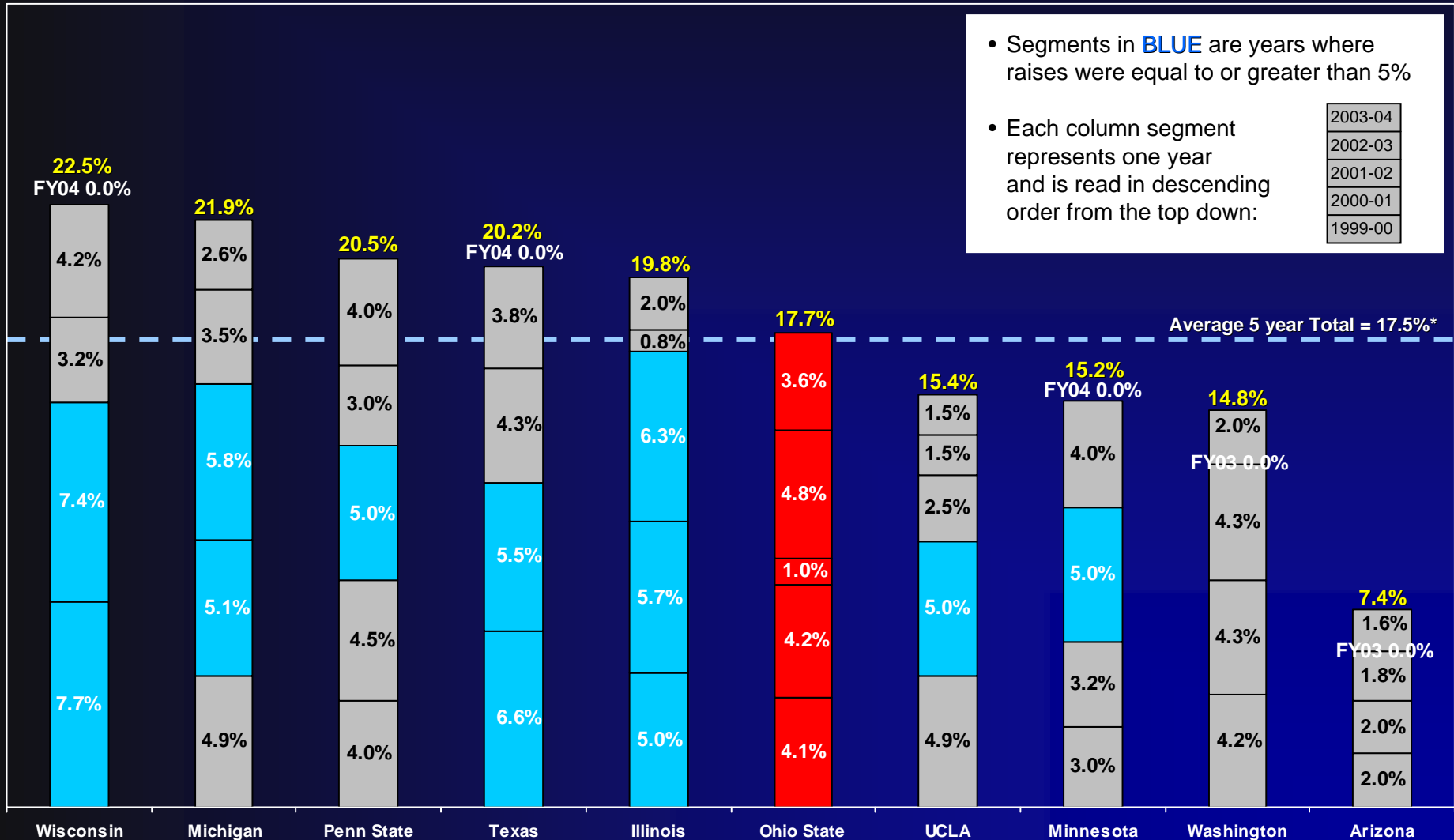
Office of Human Resources

Critical Questions

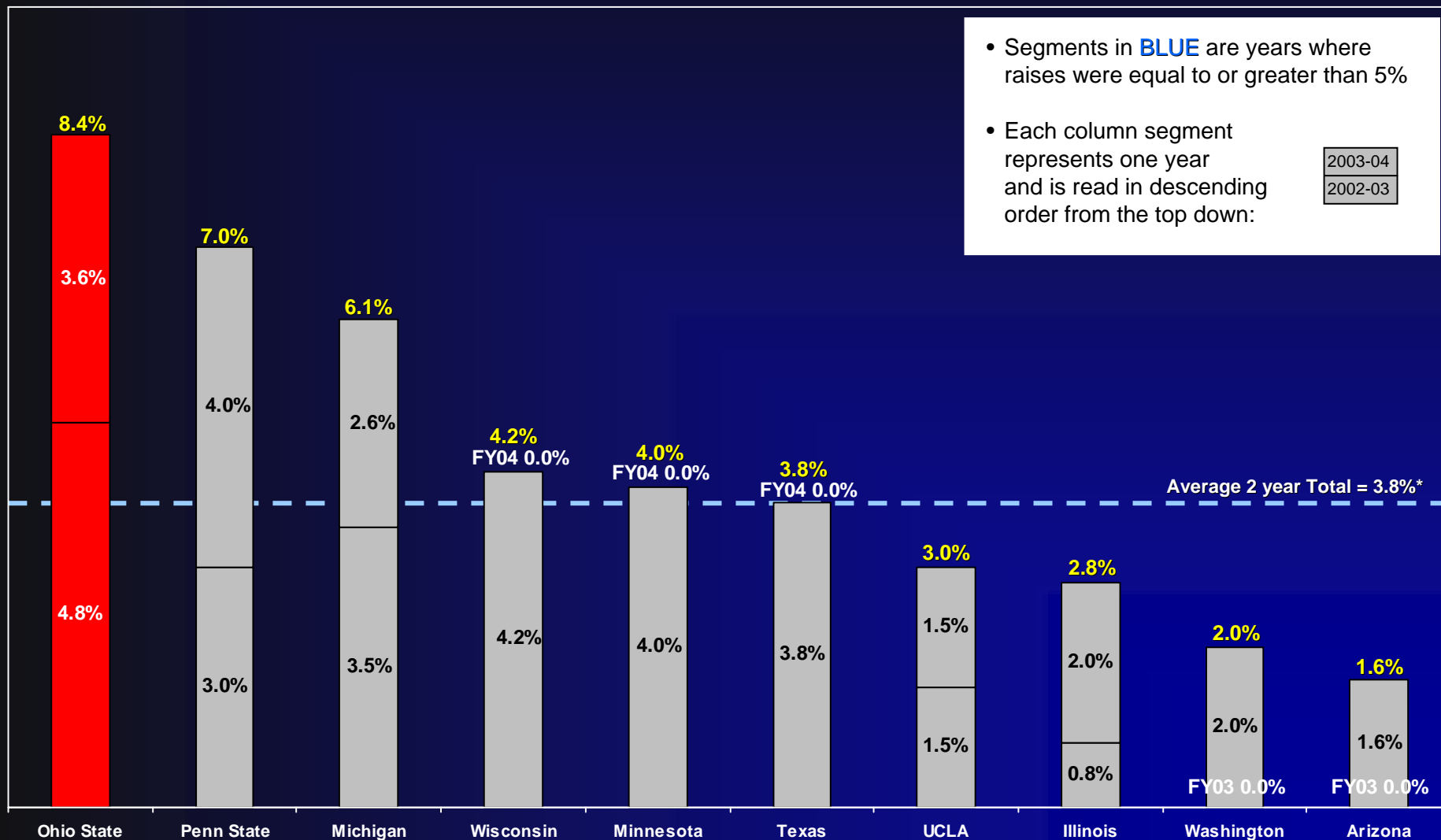
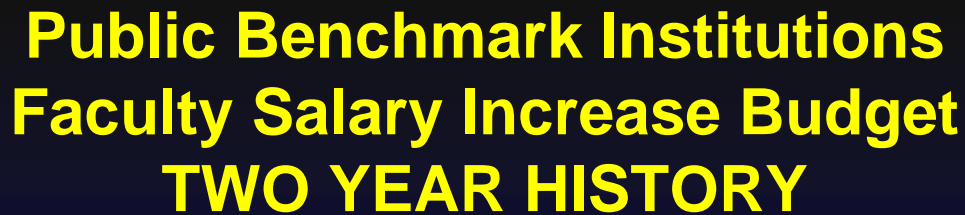
- How does our recent history of raises compare with benchmark institutions?
- How do our current salaries compare with relevant markets?
- What are we doing to improve our competitive position for Graduate Associates?
- What are we doing to manage benefit costs?
- What is the outlook for salary increases?
- What is the “pain” required to produce compensation gains?



Public Benchmark Institutions Faculty Salary Increase Budget FIVE YEAR HISTORY



* Average excludes Ohio State



* Average excludes Ohio State

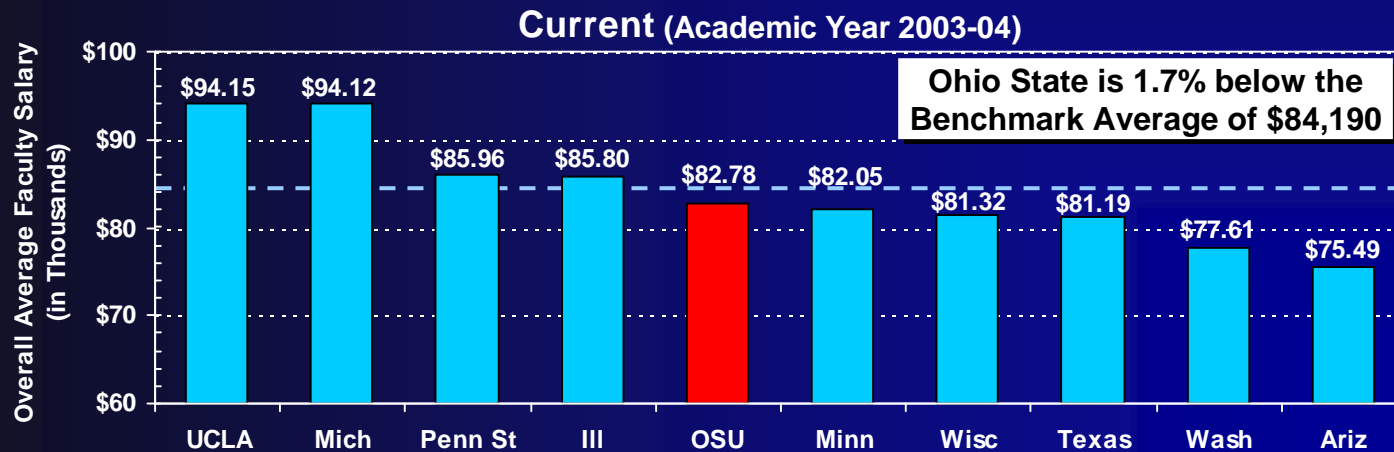
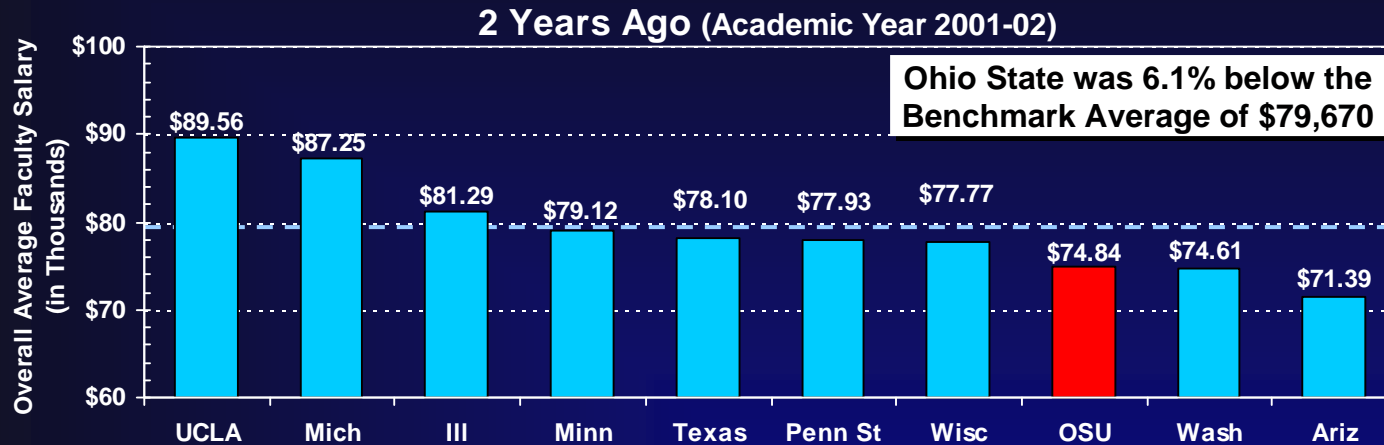
Office of Human Resources



Benchmark Universities

Average Faculty Salaries (in Thousands)

TWO YEARS AGO AND TODAY



Note: Benchmark Averages exclude OSU



Association of American Universities (60 Members) Overall Faculty Salary Ranking

<i><u>Timeframe</u></i>	<i><u>Ranking</u></i>
<i>15 Years Ago</i>	<i>21st</i>
<i>10 Years Ago</i>	<i>37th</i>
<i>5 Years Ago</i>	<i>39th</i>
<i>Last Year</i>	<i>46th</i>
<i>Current</i>	<i>40th</i>

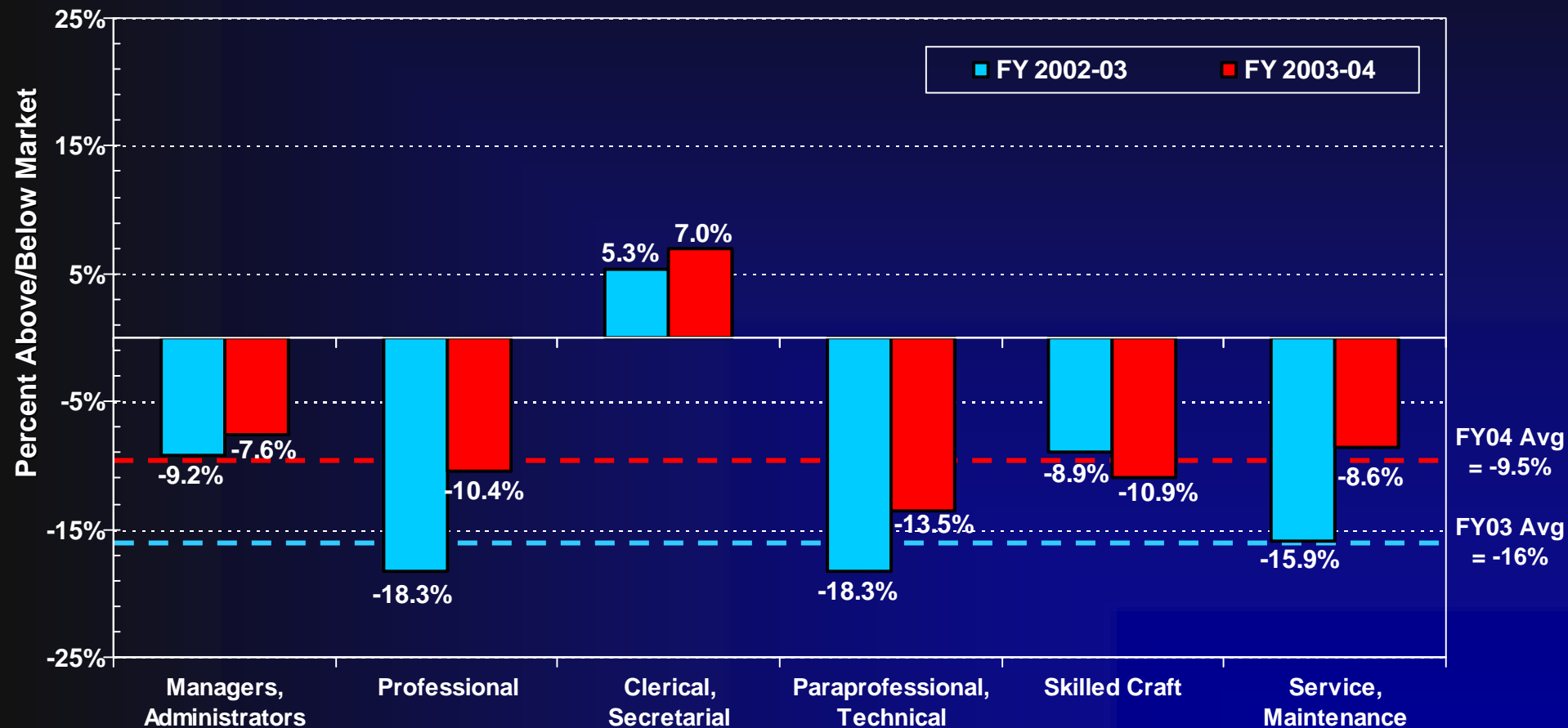
During the previous 15 years, OSU has slipped from near the top third of the AAU to the bottom third of the AAU



Staff Salaries

Compared to External Markets (Adjusted for Benefits)

PREVIOUS YEAR AND CURRENT YEAR



Notes:

General Industry consists of local, regional and national public, private & non-profit organizations.

Ohio State excludes bargaining unit members, Hospitals, term and temporary employees.

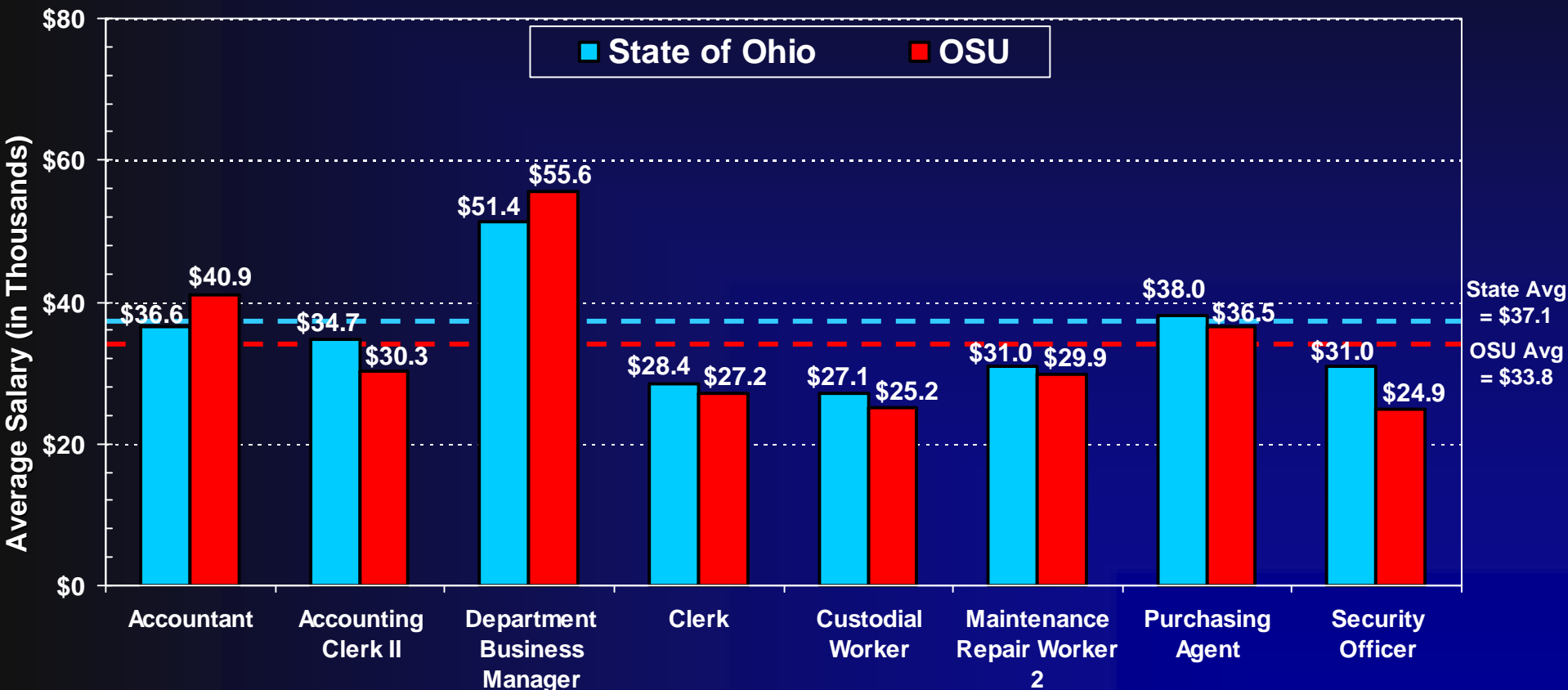
Benefits Adjustment: Based on study by external consultant, external market data is adjusted by 2.5% to account for OSU's relative benefit advantage.



Staff Salaries

Compared to the State of Ohio (in Thousands)

CURRENT YEAR



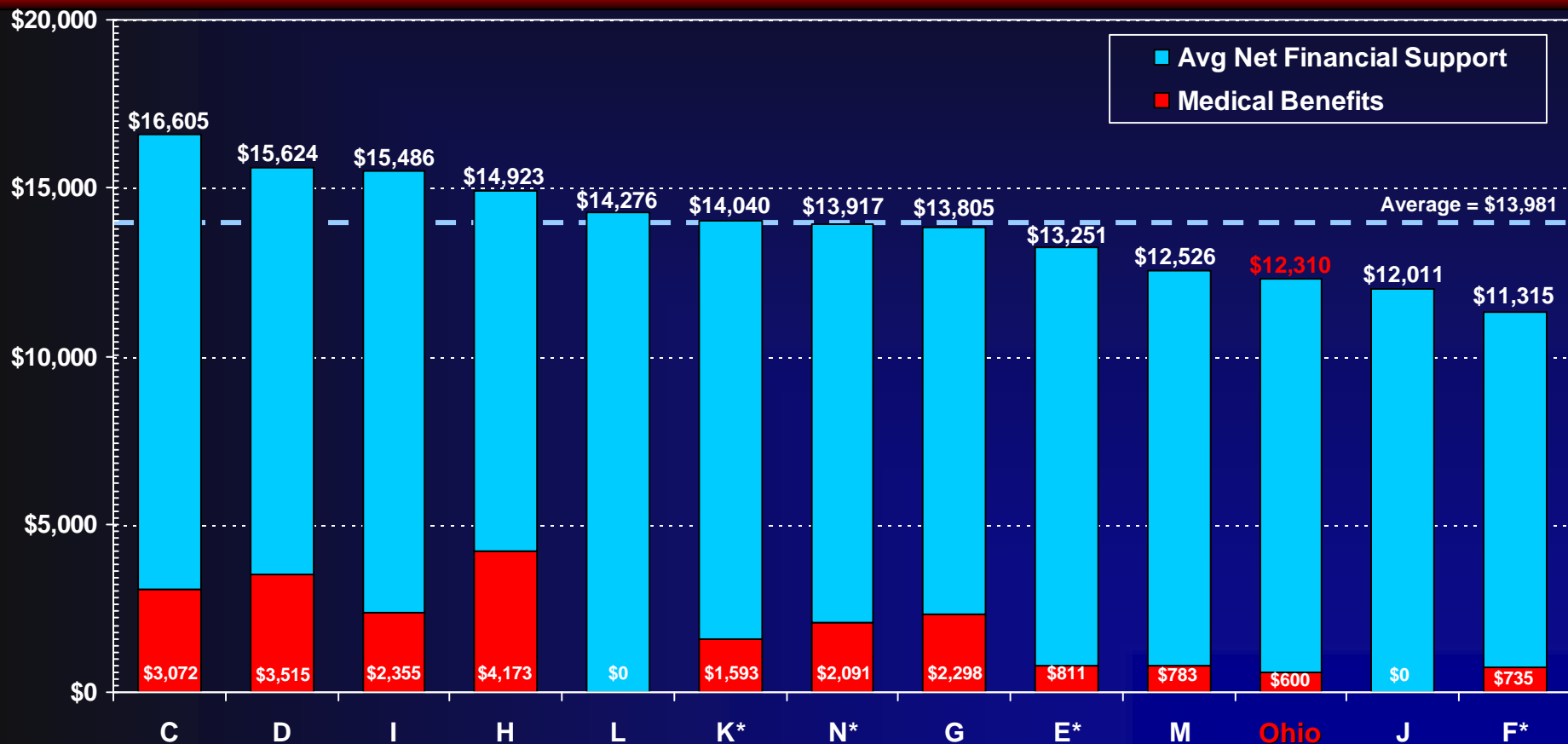
Note:

Excludes Hospitals, term and temporary employees.

These comparisons were obtained through OSU's routine market matching process, wherein we focus on employees at OSU and similar roles that exist at the State of Ohio, and other external market surveys. The classifications shown above are the subset which have the greatest number of OSU employees. No attempt has been made to do a complete analysis of all OSU employees compared to the State of Ohio.



Summary of Graduate Associate Financial Support - Resident Students Benchmark and Public CIC Institutions Average Net Financial Support and Medical Benefits for FY 2002-03



Notes:

* Non-Benchmark Institutions.

Data represents information for 9/10 month appointments.

Average Net Financial Support = Stipend + Medical Benefits - Fees.

Medical: Where multiple plans available, most common plan is reflected. If range of premiums, midpoint reflected.

Premiums represent composite of 80% single / 20% family coverage.

Wisconsin's premium not available for 2003-04 so 2000-01 data aged at 12% per year

UCLA's fees and fee authorization are based on 12 credit hours vs. 9 for other institutions.

Institutions include: Arizona Illinois Indiana Iowa Michigan Michigan State Minnesota
Ohio State Purdue Texas UCLA Washington Wisconsin

Sources: AAUDE Survey of Graduate Stipends, 2002-03; medical premiums for 2003-04 via phone/web.

Office of Human Resources



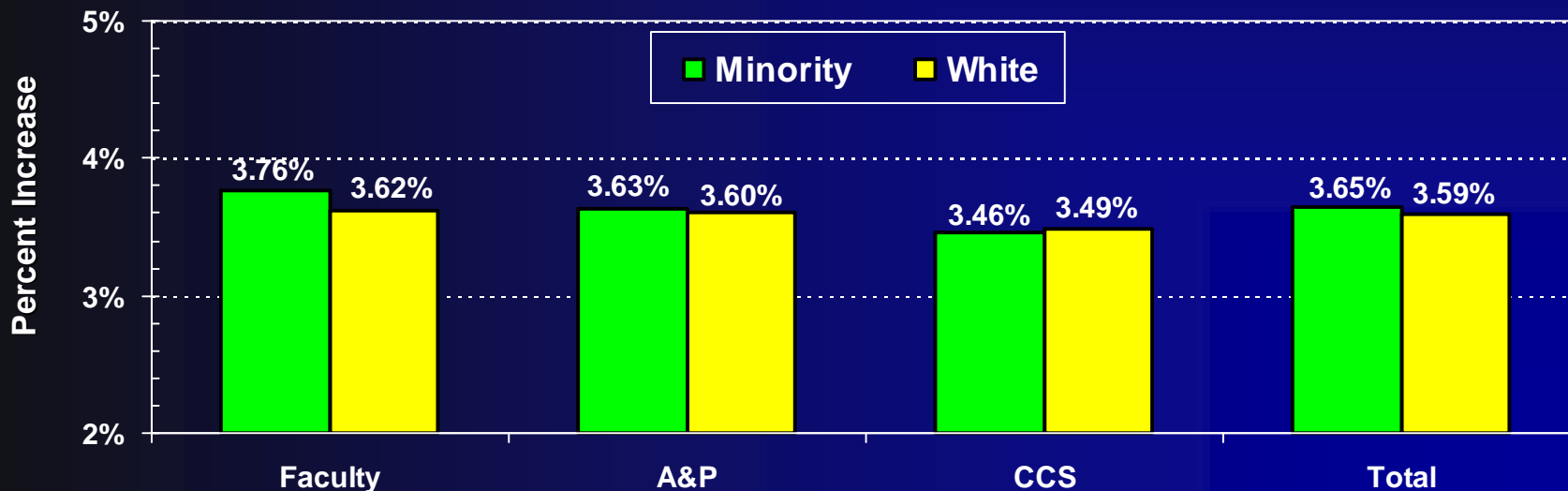
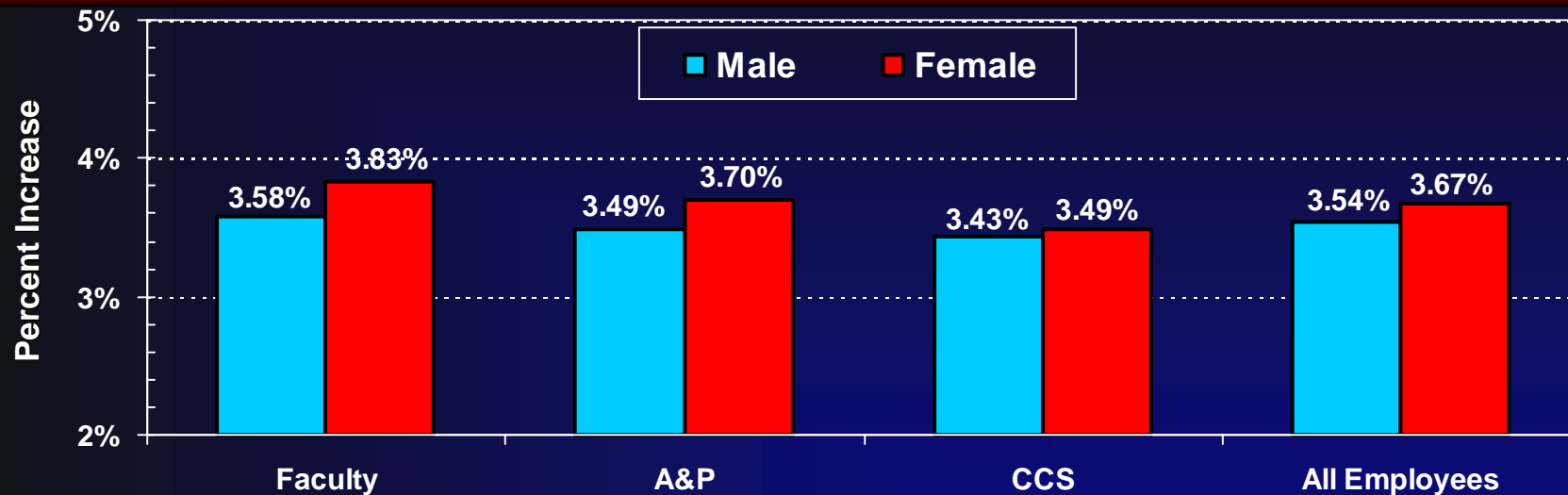
Graduate Associate Competitiveness Planned Improvements

- Continue to include Graduate Associates as part of the Compensation Initiative
- Increase minimum stipend level
- Increase healthcare subsidy
- Provide pre-tax benefit premium payment
- Incorporate conditions of appointment and formalized leave programs



Current Year Salary Increases

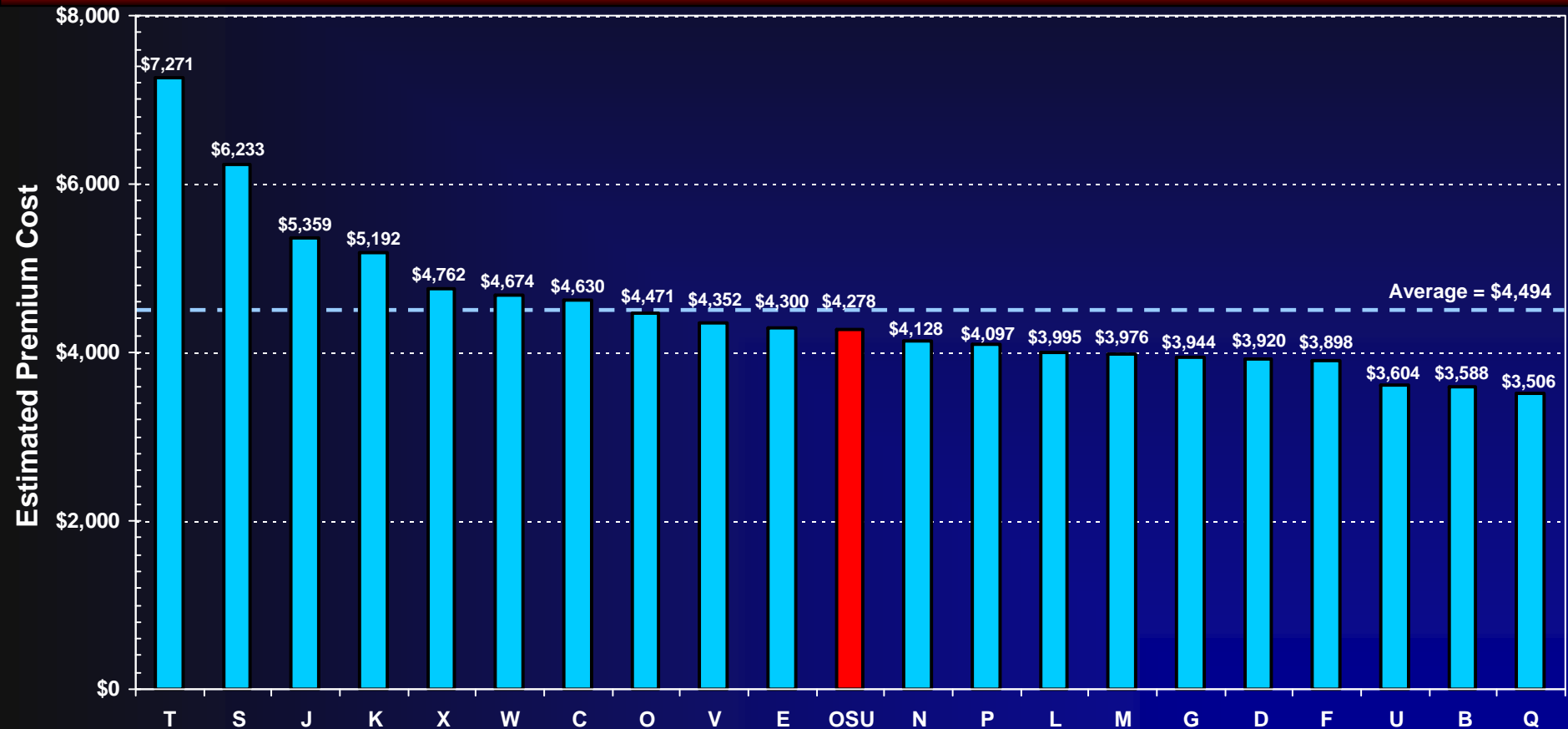
Average Investment (Salary + Bonus) Percentage by Gender and Ethnicity*



* Undisclosed/other ethnicity categories excluded from report
Excludes University Leaders, Administrators, bargaining unit members, Hospitals, term and temporary employees.



Premium Cost Comparison Among AAU Data Exchange Institutions Estimated for Next Year



Source: AAUDE Survey of Benefits Programs, 2003-04
Premium Cost (full funding cost) = Employer + Employee contributions
Premium Cost reflects single coverage rate for medical coverage

Institutions include:

Arizona	Colorado	Florida	Illinois	Indiana	Iowa	Kansas
Michigan	Michigan State	Minnesota	Missouri	Ohio State	Oregon	Pittsburgh
Purdue	Rutgers	SUNY-Buffalo	Texas	Texas A&M	Washington	Wisconsin

Office of Human Resources



Benefits Redesign Process

- Healthcare costs are one of the items tagged for cost management
- Major redesign process is underway
- Goals: maintain competitive position and reduce trend to less than 10%
- Important partnership with the Medical Center



Competitive Salary Markets Outlook FY 2004-05

IUC - Ohio - Higher Education (early estimate)	3.3%
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Benchmark Institutions (early estimate)	2.3% to 2.4%
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National - All employer groups	3.2% to 3.7%
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Ohio - All employer groups	3.3% to 3.5%
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Columbus, Ohio	3.4% to 3.6%
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State Government of Ohio	0%
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National - Higher Education & Non-Profits	2% to 2.8%
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Compensation Initiative Hurdles

- Significant budget reallocations due to state funding cuts
- Colleges and Vice Presidential units have had to create additional reallocation plans to fund raises
- Consequently, several hundred positions were targeted to be eliminated

Summary

- The last two years have seen significant improvements in faculty and staff competitiveness but salaries still remain behind market
- A proposal is in motion to improve our competitive position for Graduate Associates, particularly for health care sponsorship
- The distribution patterns of base increases and bonuses have been favorable for women and minority faculty and staff
- OSU benefits costs remain competitive with other institutions; redesign is underway to reduce trend

Summary (continued)

- We may need to balance our compensation priority with other critical priorities, such as:
 - a) Slowing down the loss of positions (lost positions create stress, burnout of those remaining)
 - b) Improving work/life balance, support, professional development

AUTHORIZATION FOR CAPITAL PROJECTS

Project		Approximate Amount (in millions)	Requested Action
College of Dentistry Feasibility Study	Dept:	\$0.25	Enter into feasibility study contracts
Graves Hall 3rd Floor - Biomedical Informatics	Dept:	\$0.30	Enter into design contracts
Starling Loving Hall Clinical Trial Area	Dept:	\$2.33	Enter into design contracts
Subtotal for Design Contracts	Dept:	\$2.88	
Comprehensive Cancer Center - Chiller Replacement	State:	\$0.40	Enter into construction contracts
Kottman Hall - 103 Classroom Renovation	State:	\$0.68	Enter into construction contracts
Lima Campus - Galvin Hall 4th Floor Renovation	State:	\$0.37	Enter into construction contracts
Lincoln and Morrill Tower Walkways	Dept: State:	\$0.15 \$0.86	Approve increase in project costs
Mansfield Campus - Replace/Renovate Roofs	Dept: State: *Other:	\$0.13 \$0.13 \$0.16	Enter into construction contracts
OARDC - Exterior Building Signage	State:	\$0.03	Enter into design and construction contracts
OSU Ice Rink Renovations	Dept:	\$1.19	Enter into construction contracts
Wexner Center - Building Renovations	Dept:	\$14.50	Approve increase in project costs
Subtotal for Construction Contracts	Dept: State: Other	\$15.97 \$2.47 \$0.16	
Total for all Contracts	Dept: State: *Other:	\$18.85 \$2.47 \$0.16	
Grand Total		\$21.48	

* Additional funding supplied by North Central Technical College

College of Dentistry Feasibility Study

Conceptual and Planning Information

This document establishes general planning parameters to facilitate Board of Trustees decision-making regarding the hiring of an architect/engineer for planning and design work. This information is very preliminary until design is completed and the project is brought back to the Board for construction authorization. At that time, a more detailed cost estimate and schedule will be provided.

Sponsoring/Requesting Units(s):

College of Dentistry

How does this project advance the Academic Plan?

Within the framework of the Academic Plan, the College of Dentistry has outlined a Strategic Plan that includes the following strategic objectives: 1) improve the quality, impact and effectiveness of the educational experience; 2) improve the quality and impact of the research activities and scholarly effort; 3) make their clinics humanistic, caring and patient-centered environments; and 4) recruit, develop and retain top-quality people.

Nature of the Project:

This study will evaluate existing space condition, utilizations, and the ability of the existing facility to meet current and future programmatic needs for this college, as well as other building occupants. The study will include the analysis for renovation and additions of the current facility as well as options and sites for the construction of new facilities for the college, including estimated total project cost.

Preliminary Cost Estimate:

\$250,000

Proposed Funding Source:

Local Funds: \$125,000 College of Dentistry and \$125,000 Central University Funds

Outstanding Funding Issues:

none

Timing Issues:

This project has close physical proximity to Project Cancer and timing for these two projects will impact one another

“Ripple effects” of the project:

This project has physical proximity to Project Cancer and planning for these two projects must be closely coordinated

Special limitations/risks:

none

Note: These preliminary estimates are subject to change prior to submission of this project to the Board for construction authorization.



Requesting Agency(s): DENTISTRY ADMINISTRATION

Location(s): POSTLE HALL, WENDELL D. Gross Sq. Ft.278,169 Age: 1950

Description: This study will evaluate existing space condition, utilizations, and the ability of the existing facility to meet current and future programmatic needs for this college, as well as other building occupants. The study will include the analysis for renovation and additions of the current facility as well as options and sites for the construction of new facilities for the college, including estimated total project cost.

Project Team:		Project Information:
Facility Planner:	Anne Pensyl (pensyl.3@osu.edu)	
Project Captain:	Anne Pensyl (pensyl.3@osu.edu)	
Project Assistant:	Curtiss Ashley (ashley.6@osu.edu)	
Field Coordinator:	Is Unassigned	

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
Central Funding	\$125,000.00	\$125,000.00				
Earnings-Dentistry	\$125,000.00	\$125,000.00				
Total:	\$250,000.00	\$250,000.00				

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (\$250,000 study)	04/02/2004		

College of Dentistry Feasibility Study



Office of Business and Finance
Office of Facilities Planning and Development

March 16, 2004

Graves Hall 3rd Floor – Biomedical Informatics

Conceptual and Planning Information

This document establishes general planning parameters to facilitate Board of Trustees decision-making regarding the hiring of an architect/engineer for planning and design work. This information is very preliminary until design is completed and the project is brought back to the Board for construction authorization. At that time, a more detailed cost estimate and schedule will be provided.

Sponsoring/Requesting Units(s):

Office of Health Sciences

How does this project advance the Academic Plan?

The Biomedical Informatics area will serve the research work of a prominent researcher of the University. It is vital that facilities remain current in the latest medical and technological advances. These additional spaces will expand our ability to serve the academic and research component and provide state-of-the-art facilities for research work.

Nature of the Project (e.g. number of buildings, new construction or renovation, estimated GSF, etc.; use of space; release or reuse of any current space):

Renovation of Graves Hall 3rd floor Biomedical Informatics area to accommodate faculty and research offices, administrative/support areas and conference rooms. The renovations involve demolition of existing rooms, new layout, upgrading finishes, major upgrade to HVAC and electrical components. It also involves making the renovated areas conform to current life safety codes. The area is approximately 3,738 SQFT. The project will be constructed in two phases.

Preliminary Cost Estimate:

\$ 300,241

Proposed Funding Source:

College of Medicine and Public Health

Outstanding Funding Issues:

none

Timing Issues:

none

“Ripple effects” of the project:

Phasing of the project – upon completion of phase-1 the occupants are to move to that space whereupon phase-2 could commence

Special limitations/risks:

none

Note: These preliminary estimates are subject to change prior to submission of this project to the Board for construction authorization.



Requesting Agency(s): HEALTH SCIENCES ADMINISTRATION

Location(s): GRAVES HALL, GRANT O

Gross Sq. Ft.220,370 Age: 1969

Description: Renovation of Graves Hall 3rd floor Biomedical Informatics area to accommodate faculty and research offices, administrative/support areas and conference rooms. The renovations involve demolition of existing rooms, new layout, upgrading finishes, and major upgrade to HVAC and electrical components. It also involves making the renovated areas conform to current life safety codes. The area is approximately 3,738 SQFT. The project will be constructed in two phases.

Project Team:

Facility Planner: Is Unassigned

Project Captain: Abu Saleh
(saleh.16@osu.edu)Project Assistant: Curtiss Ashley
(ashley.6@osu.edu)

Field Coordinator: Is Unassigned

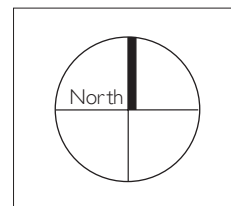
Project Information:

Preliminary project estimate: \$300,241

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
General Funds-Medicine	\$300,241.00	\$300,241.00				
Total:	\$300,241.00	\$300,241.00				

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (\$300,241 project)	04/02/2004		
Design			
Arch/Engr Contract	07/15/2004		
Construction			
Construction Start	11/30/2004		

Graves Hall -Biomedical Informatics



Office of Business and Finance
Office of Facilities Planning and Development

March 12, 2004

OARDC – Exterior Building Signage

Conceptual and Planning Information

This document establishes general planning parameters to facilitate Board of Trustees decision-making regarding the hiring of an architect/engineer for planning and design work. This information is very preliminary until design is completed and the project is brought back to the Board for construction authorization. At that time, a more detailed cost estimate and schedule will be provided.

Sponsoring/Requesting Units(s):

OARDC Business Office

How does this project advance the Academic Plan?

The recent installation of the new telephone system on the OARDC campus has allowed the opportunity to identify each building and room on the 911 Emergency System. For emergency response for fire and rescue personnel, each building on the OARDC campus needs to be identified.

Nature of the Project:

Purchase and install new exterior building signage for all OARDC buildings on its main campus in Wooster, Ohio.

Preliminary Cost Estimate:

\$32,000.00

Proposed Funding Source:

HB 675 OARDC Supplemental Renovation

Outstanding Funding Issues:

none

Timing Issues:

none

“Ripple effects” of the project:

none

Special limitations/risks:

none. Neighboring buildings at ATI currently have the necessary exterior building signage

Note: These preliminary estimates are subject to change prior to submission of this project to the Board for construction authorization.



Requesting Agency(s): OARDC-BUSINESS OFFICE

Location(s): Various Locations-OARDC

Gross Sq. Ft.0 Age:

Description: Install new exterior building signage for all OARDC buildings on its main campus. With the recent installation of the new telephone system at OARDC, we have gained the capability to identify each building and room on the 911 Emergency System. For emergency response by fire and rescue personnel, each building needs to be identified.

Project Team:

Facility Planner: Is Unassigned

Project Captain: Marjory Spangler
(spangler.40@osu.edu)

Project Assistant: Faye Bodyke
(bodyke.3@osu.edu)

Field Coordinator: Is Unassigned

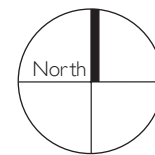
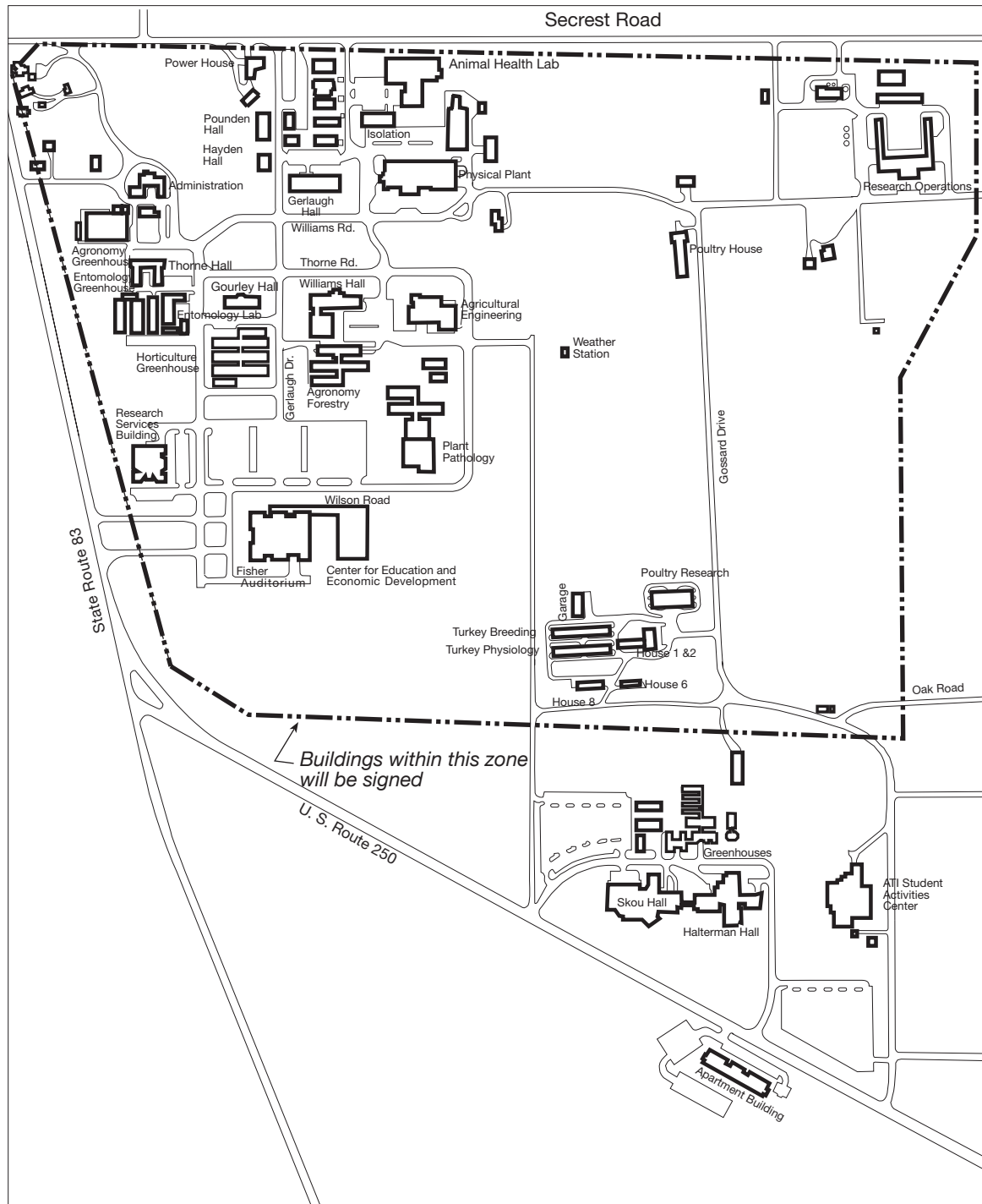
Project Information:

This project designed by in-house personnel.

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
HB675 OARDC	\$32,000.00	\$32,000.00	Construction	\$27,005.00		\$0.00
Supplemental Renov			Contingency 1	\$2,700.00		\$0.00
			Design	\$1,890.00		\$0.00
Total:	\$32,000.00	\$32,000.00	Local Administration	\$405.00		\$0.00
			Total Project:	\$32,000.00		\$0.00

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (\$32,000 project)	04/02/2004		
Bidding Approved B/T (\$32,000 project)	04/02/2004		
Design			
Construction Document Approval	05/21/2004		
Bidding			
Bid Opening	07/05/2004		
Construction			
Completion	08/16/2004		

OARDC - Exterior Building Signage



Office of Business and Finance
Office of Facilities Planning and Development

March 12, 2004

Starling Loving Hall Clinical Trials Area

Conceptual and Planning Information

This document establishes general planning parameters to facilitate Board of Trustees decision-making regarding the hiring of an architect/engineer for planning and design work. This information is very preliminary until design is completed and the project is brought back to the Board for construction authorization. At that time, a more detailed cost estimate and schedule will be provided.

Sponsoring/Requesting Units(s):

Office of Health Sciences

How does this project advance the Academic Plan?

The Clinical Trials area will serve the research work of a prominent researcher of the University. It is vital that facilities remain current in the latest medical and technological advances. These additional spaces will expand our ability to serve the academic and research component and provide state-of-the-art facilities for clinical trials research.

Nature of the Project (e.g. number of buildings, new construction or renovation, estimated GSF, etc.; use of space; release or reuse of any current space):

Renovation of the first floor of Starling Loving Hall to accommodate new office space for the Clinical Trials area. The space under renovation is currently occupied by the Hospitals' Information Technology Department (which is being relocated to 650 Ackerman). The HVAC, electrical and plumbing upgrades will be done in accordance with the Utilities Upgrade Master Plan done by the University Hospitals for this building. The area is approximately 9,180 SQFT.

Conceptual Cost Estimate:

\$ 2,300,000

Proposed Funding Source:

College of Medicine and Public Health has committed general funds through the design stage.

Outstanding Funding Issues:

Funds to cover the construction phase are yet to be determined.

Timing Issues:

None

“Ripple effects” of the project:

The start date of this project is contingent upon the timely move of the Hospitals' Information Technology function from this area to 650 Ackerman Rd.

Special limitations/risks:

none

Note: These preliminary estimates are subject to change prior to submission of this project to the Board for construction authorization.



Starling Loving Hall Clinical Trials Area

315-2004-907

Requesting Agency(s): HEALTH SCIENCES ADMINISTRATION

Location(s): STARLING LOVING HALL

Gross Sq. Ft. 141,920 Age: 1917

Description: Renovation of the first floor of Starling Loving Hall to accommodate new office space for the Clinical Trials area. The space under renovation is currently occupied by the Hospitals' Information Technology Department (which is being relocated to 650 Ackerman). The HVAC, electrical and plumbing upgrades will be done in accordance with the Utilities Upgrade Master Plan for this building.

Project Team:

Facility Planner: Is Unassigned

Project Captain: Abu Saleh
(saleh.16@osu.edu)

Project Assistant: Curt Handschug
(handschug.1@osu.edu)

Field Coordinator: Is Unassigned

Project Information:

Project pre-design estimate is \$2,329,371. Health Sciences has agreed to fund costs through design. Once final design estimates are obtained and the 2005/06 capital plan is in place, construction funding will be determined.

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
General Funds-Medicine	\$244,720.00	\$244,720.00				
Auxiliaries-University Hospitals	\$0.00	\$0.00				
Total:	\$244,720.00	\$244,720.00				

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (\$2,329,371 project)	04/02/2004		
Design			
Arch/Engr Contract	07/01/2004		
Construction			
Construction Start	04/30/2005		

Starling-Loving Hall Clinical Trial Area



Office of Business and Finance
Office of Facilities Planning and Development

March 12, 2004



Comprehensive Cancer Center - Chiller Replacement

315-2003-921

Requesting Agency(s): PHYSICAL FACILITIES

Location(s): COMPREHENSIVE CANCER CENTER, OSU

Gross Sq. Ft. 30,907 Age: 1980

Description: Replace the existing 22 year old, 163 ton R-11 Trane Chiller in Room 520M in the Comprehensive Cancer Center. This project will include correct sizing of cooling loads and configuration, modification or replacement as appropriate, including cooling tower, circulating equipment and associated piping.

Project Team:

Facility Planner: Is Unassigned

Project Captain: Barry Mazik

Project Assistant: Karen Cogley
(cogley.1@osu.edu)

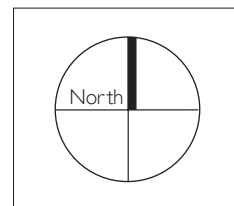
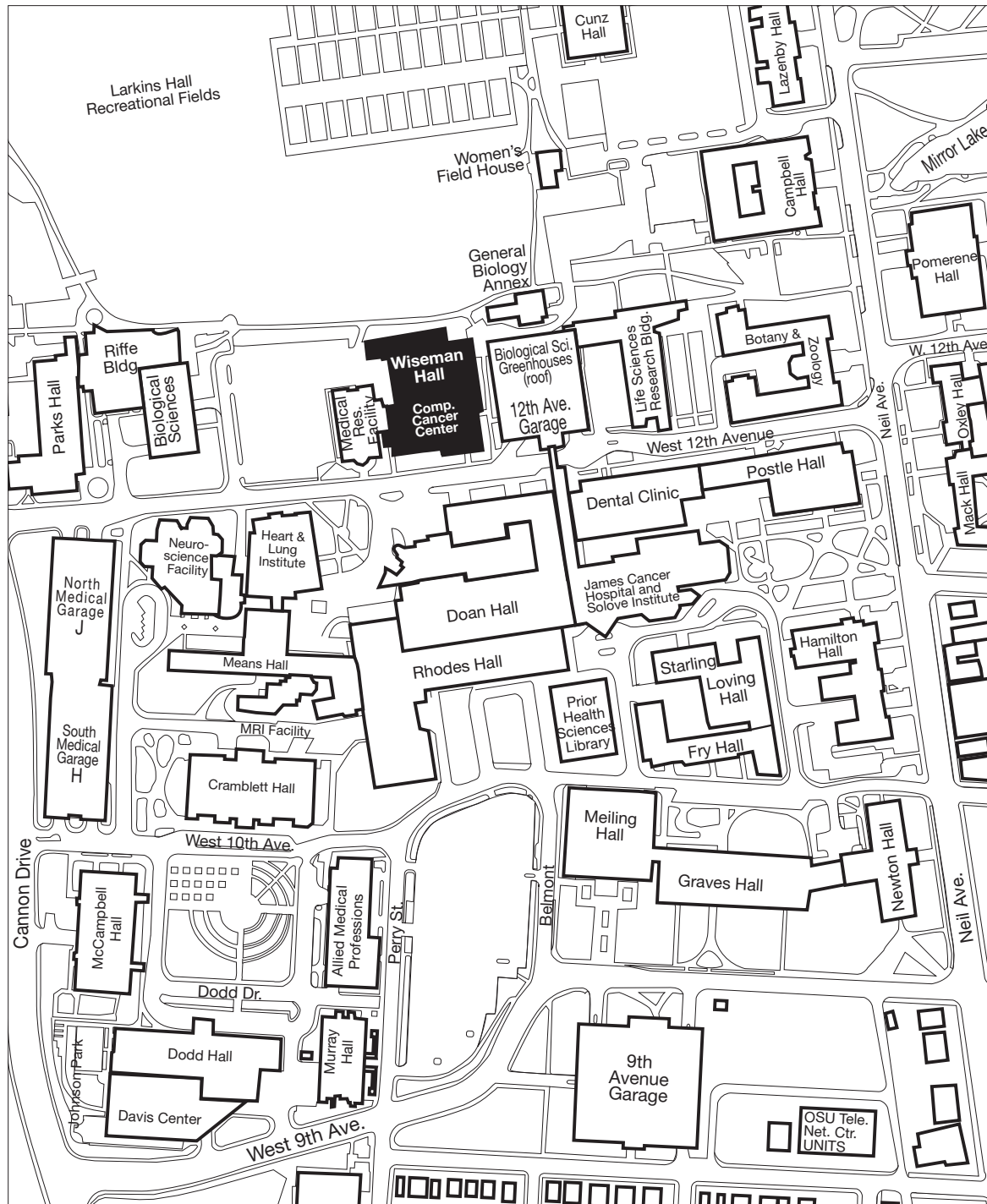
Field Coordinator: Mark Scott

Project Information:

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
HB675 Columbus Basic	\$400,000.00	\$400,000.00	Construction	\$329,220.00		\$0.00
Renovation			Contingency 1	\$27,910.00		\$0.00
			Design	\$37,930.00		\$0.00
Total:	\$400,000.00	\$400,000.00	<u>Local Administration</u>	<u>\$4,940.00</u>		<u>\$0.00</u>
			Total Project:	\$400,000.00		\$0.00

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (400,000 project)	05/02/2003		05/30/2003
Bidding Approved B/T	05/07/2004	04/02/2004	
Design			
Schematic Design Approval	08/30/2003	11/14/2003	11/14/2003
Design Dev Document Approval	11/01/2003	11/14/2003	11/14/2003
Construction Document Approval	03/01/2004	02/06/2004	02/06/2004
Bidding			
Bid Opening	06/01/2004		
Construction			
Construction Start	11/15/2004		
Completion	03/30/2005		

Comprehensive Cancer Center - Chiller Replacement



Office of Business and Finance
Office of Facilities Planning and Development

May 10, 2003



Requesting Agency(s): CLASSROOM POOL

Location(s): KOTTMAN HALL, ROY M

Gross Sq. Ft.166,391 Age: 1981

Description: Patch, rehabilitate, and paint walls and ceilings; install new seating, wheelchair stations, carpet, light fixtures, controls, and chalkboard. Further install new sound system speakers with wiring and controls, projection screen, video projection system, and ADA signage.

Project Team:

Facility Planner: Is Unassigned

Project Captain: Christine Nocar
(lawson.132@osu.edu)

Project Assistant: Leeanne Chandler
(chandler.63@osu.edu)

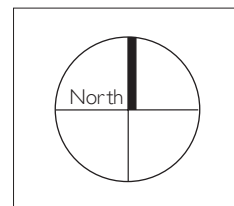
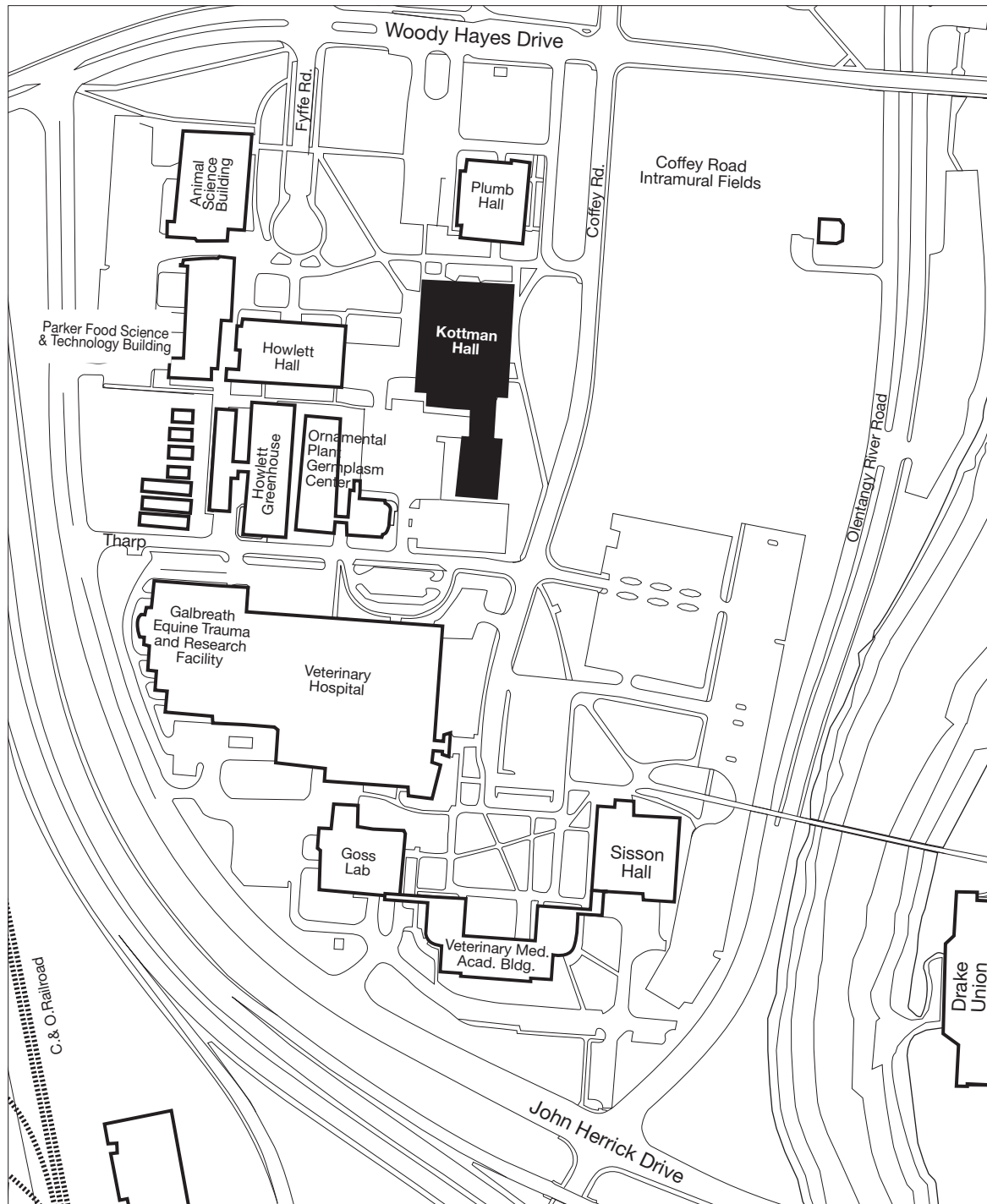
Field Coordinator: Is Unassigned

Project Information:

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
HB640 Basic Renovations	\$72,900.00	\$72,900.00	Construction	\$374,200.00		\$0.00
HB675 Columbus Basic	\$607,833.00	\$607,833.00	Contingency 1	\$26,242.00		\$0.00
Renovation			Design	\$68,340.00		\$0.00
			Equipment 1	\$206,338.00		\$0.00
Total:	\$680,733.00	\$680,733.00	Local Administration	\$5,613.00		\$0.00
			Total Project:	\$680,733.00		\$0.00

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (\$607,833 project)			05/30/2003
Arch/Engr Advertisement (Ohio Register #118)			06/30/2003
Bidding Approved B/T (\$680,733 project)	04/02/2004		
Design			
Arch/Engr Contract			11/25/2003
Design Dev Document Approval (SD/DD Combined)			12/11/2003
Construction Document Approval			03/03/2004
Bidding			
Bid Opening	05/04/2004		
Construction			
Award of Contracts	06/22/2004		
Construction Start	07/01/2004		
Completion	12/17/2004		

Kottman Hall - 103 Classroom Renovation



Office of Business and Finance
Office of Facilities Planning and Development

May 12, 2003



Lima Campus - Galvin Hall 4th Floor Renovation

315-2003-940

Requesting Agency(s): LIMA CAMPUS

Location(s): GALVIN HALL

Gross Sq. Ft. 81,719 Age: 1966

Description: Renovation of approximately 5,000 square feet of administrative and instructional space of the north portion of Galvin Hall on the Lima Campus.

Project Team:

Facility Planner: Is Unassigned

Project Captain: Christine Nocar
(lawson.132@osu.edu)

Project Assistant: Leeanne Chandler
(chandler.63@osu.edu)

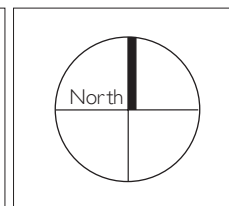
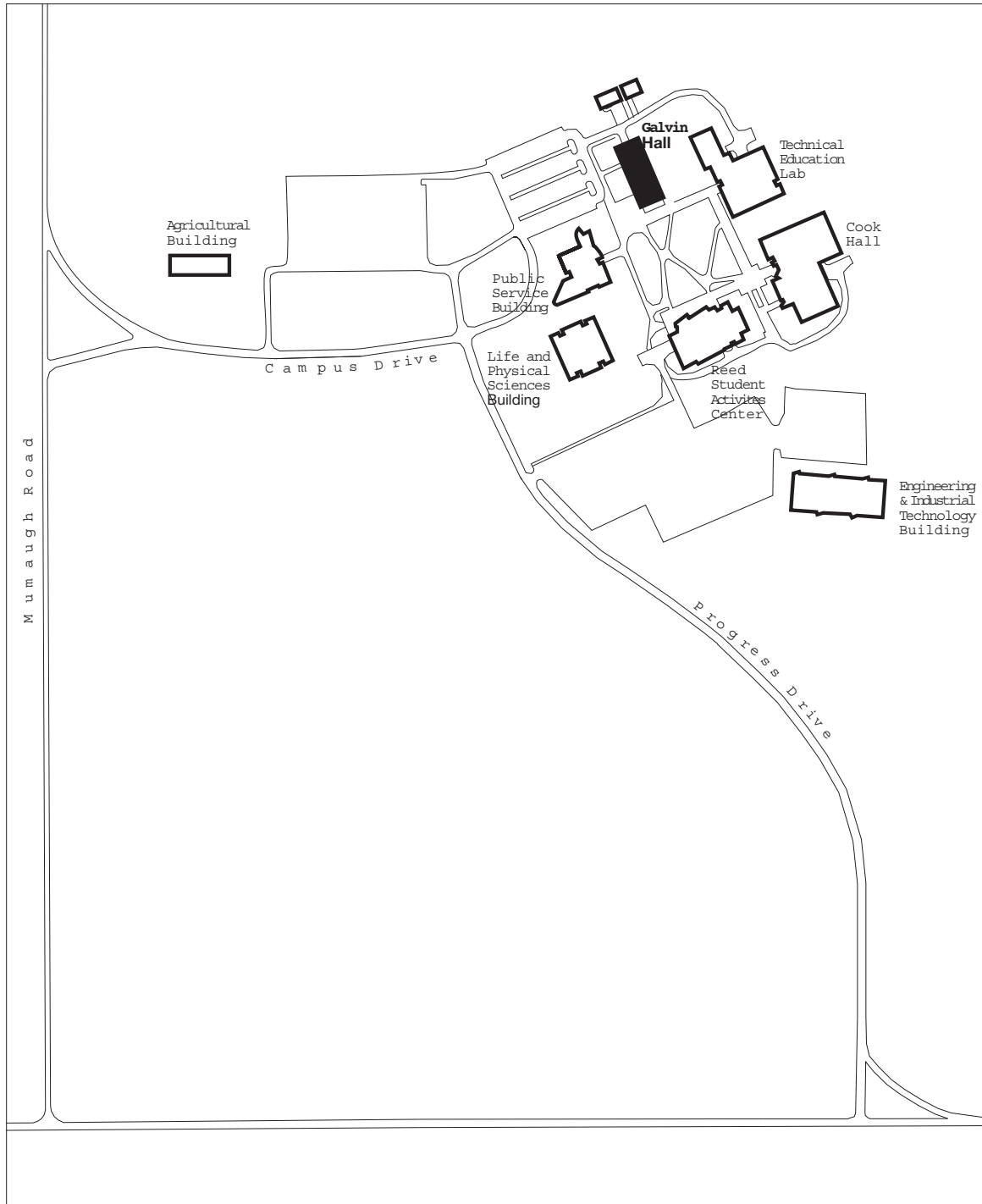
Field Coordinator: Is Unassigned

Project Information:

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
HB850 Line Item	\$367,656.80	\$367,656.80	Construction	\$302,000.00		\$0.00
Appropriation			Contingency 1	\$26,699.00		\$0.00
Total:	\$367,656.80	\$367,656.80	Design	\$34,428.00		\$0.00
			Local Administration	\$4,530.00		\$0.00
			Total Project:	\$367,657.00		\$0.00

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Advertisement (Ohio Register #117)	05/01/2003		05/01/2003
Arch/Engr Approved by B/T (\$367,657)	05/02/2003	07/01/2003	05/30/2003
Bidding Approved B/T (\$367,657 project)	04/02/2004		
Design			
Arch/Engr Contract	10/30/2003	11/21/2003	11/17/2003
Construction Document Approval (SD, DD, CD Combined)			03/01/2004
Bidding			
Bid Opening	04/14/2004		
Construction			
Award of Contracts	05/28/2004		
Construction Start	05/31/2004		
Completion	09/01/2004		

Lima Campus - Galvin Hall Fourth Floor Renovation



Office of Business and Finance
Office of Facilities Planning and Development

April 10, 2003



Requesting Agency(s): PHYSICAL FACILITIES

Location(s): Unidentified Bridge-Col.

Gross Sq. Ft.0 Age:

Description: Replace the eastern elevated walkways off Lincoln and Morrill Towers.

Project Team:

Facility Planner: Is Unassigned

Project Captain: Bo Zhang
(zhang.403@osu.edu)

Project Assistant: Karen Cogley
(cogley.1@osu.edu)

Field Coordinator: Colin McBride
(mcbride.62@osu.edu)

Project Information:

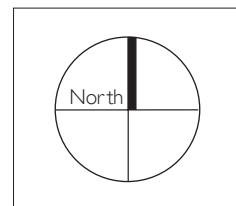
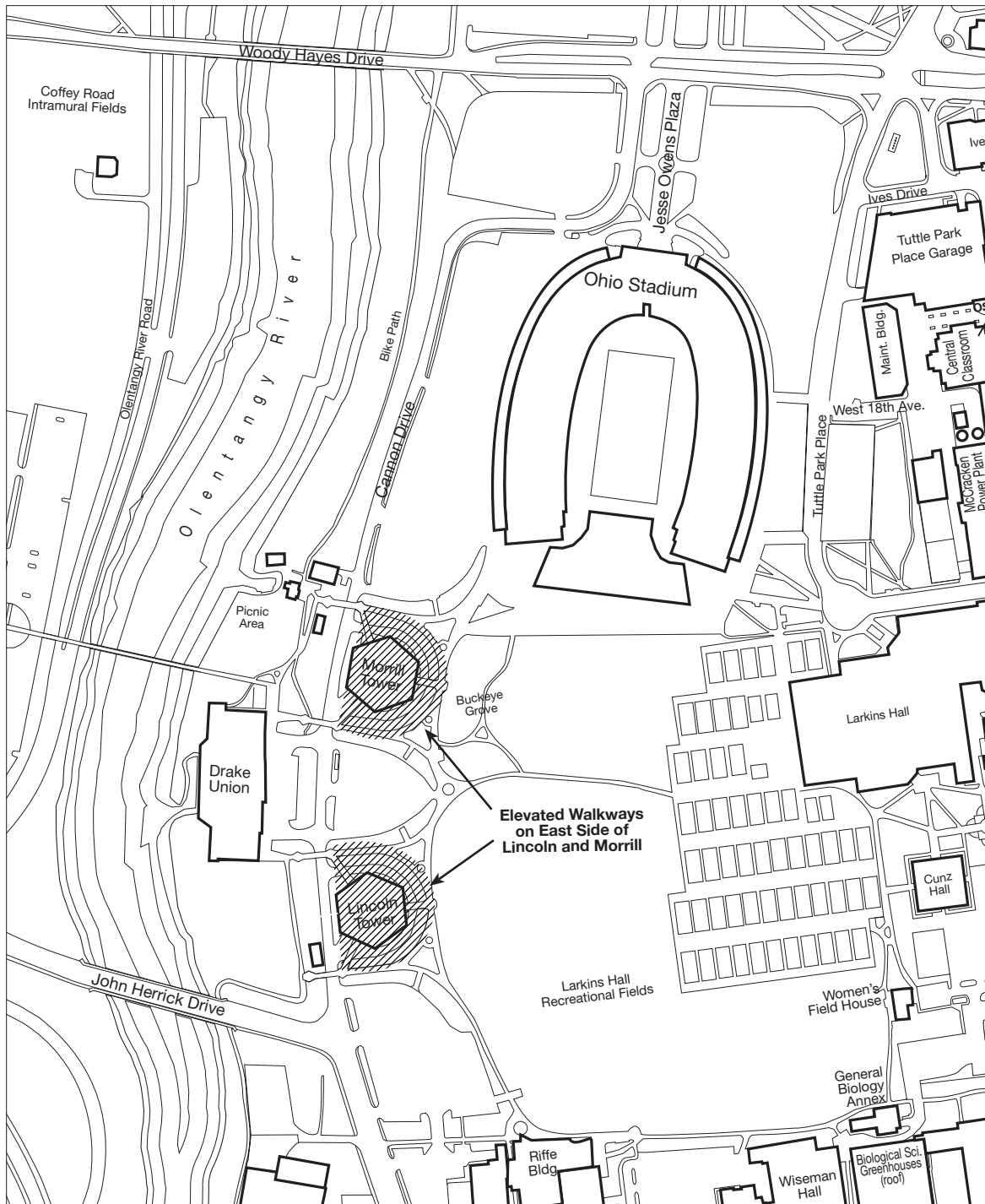
Project will lower the tower entrance by 1/2 level, making ADA accessibility easier.

In March, 2004, it was decided to expand the scope of the project to include the repair/replacement of the tower sidewalks as well as the walkways.

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
HB790 Columbus Basic Renovation	\$0.00	\$195,000.00				
Future Univ. Bond Proceeds	\$0.00	\$115,000.00				
Future Capital Appropriations	\$540,000.00	\$0.00				
HB748 Columbus ADA Modifications	\$60,000.00	\$60,000.00				
HB675 Columbus Basic Renovation	\$0.00	\$600,000.00				
Repair & Renovation	\$0.00	\$38,500.00				
Fiscal Yr 2004						
Total:	\$600,000.00	\$1,008,500.00				

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (\$600,000 Project)	10/04/2002		10/04/2002
Bidding Approved B/T (\$660,000 project)	08/01/2003	12/05/2003	11/07/2003
Bidding Approved B/T (\$855,000 project)			12/05/2003
Bidding Approved B/T (\$1,008,500 project)	04/02/2004		
Design			
Schematic Design Approval	04/15/2003		05/02/2003
Arch/Engr Contract	12/16/2002	03/28/2003	08/01/2003
Design Dev Document Approval	06/01/2003	12/31/2003	11/04/2003
Construction Document Approval	08/01/2003	12/10/2003	12/10/2003
Bidding			
Bid Opening	09/15/2003	01/30/2004	02/20/2004
Construction			
Construction Start	03/12/2004	04/30/2004	
Completion	06/15/2004	08/04/2004	

Lincoln and Morrill Tower Walkways



Office of Business and Finance
Office of Facilities Planning and Development

September 24, 2002



Mansfield Campus - Replace/Renovate Roofs
315-2003-958

Requesting Agency(s): MANSFIELD CAMPUS

Location(s): FALLERIUS TECHNICAL EDUCATION CNTR

Gross Sq. Ft. 58,386 Age: 1970

Location(s): MANSFIELD PHYSICAL ACTIVITIES CTR

Gross Sq. Ft. 19,129 Age: 1977

Description: Major renovation or replacement of the Physical Activities Center and Fallerius Technical Education Center roofs.

Project Team:

Facility Planner: Is Unassigned

Project Captain: Ruth Miller
(miller.2495@osu.edu)

Project Assistant: Faye Bodyke
(bodyke.3@osu.edu)

Field Coordinator: Is Unassigned

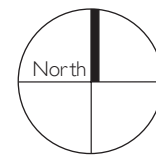
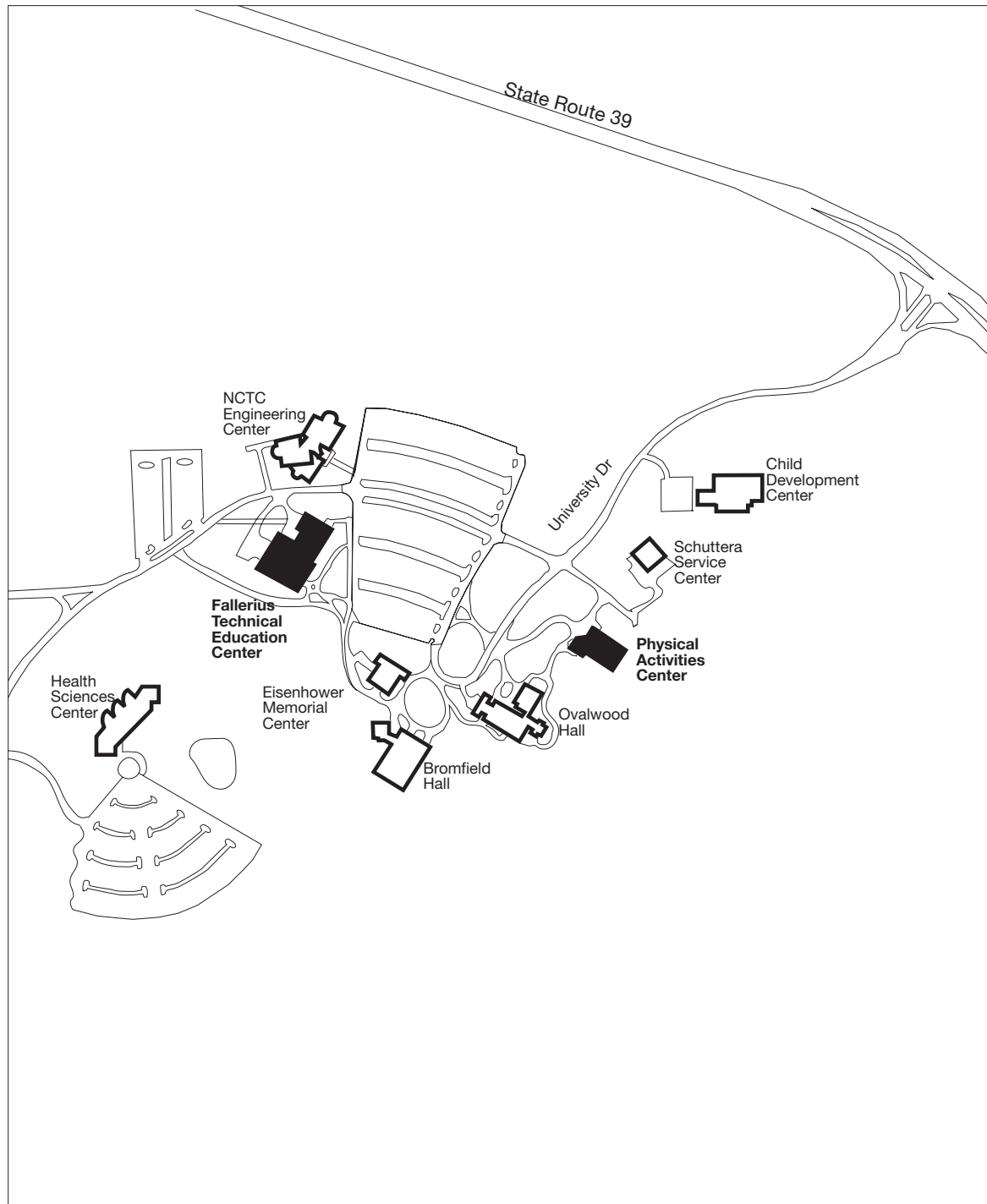
Project Information:

During design, a roof overlay system was planned, but a more expensive replacement is needed due to the condition of the existing roofs.

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
Development-Mansfield	\$126,554.00	\$126,554.00	Construction	\$374,000.00		\$0.00
North Central Technical College	\$158,600.00	\$158,600.00	Contingency 1	\$18,700.00		\$0.00
HB675 Regional Basic Renovation	\$133,900.00	\$133,900.00	Design	\$18,500.00		\$0.00
			Local Administration	\$7,854.00		\$0.00
Total:	\$419,054.00	\$419,054.00	Total Project:	\$419,054.00		\$0.00

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (\$292,500 project)	02/06/2004		02/06/2004
Bidding Approved B/T (\$419,054 project)	04/02/2004		
Design			
Schematic Design Approval	02/27/2004		02/27/2004
Design Dev Document Approval	02/27/2004		02/27/2004
Construction Document Approval	03/29/2004		
Bidding			
Bid Opening	06/10/2004		
Construction			
Construction Start	08/12/2004		
Completion	09/01/2004	09/10/2004	

Mansfield Campus - Replace/Renovate Roofs



Office of Business and Finance
Office of Facilities Planning and Development

January 15, 2004



Requesting Agency(s): ATHLETICS

Location(s): ICE RINK

Gross Sq. Ft.33,845 Age: 1961

Description: Install a new roof, HVAC improvements, new building insulation with a light colored fabric (reflective) surface, new lighting in the rink area and new, insulated spandrel panels to replace the inefficient materials currently in place on the building's exterior.

Project Team:

Facility Planner: Is Unassigned

Project Captain: Thomas Heretta
(heretta.1@osu.edu)

Project Assistant: Curtiss Ashley
(ashley.6@osu.edu)

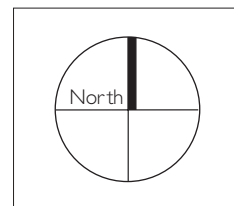
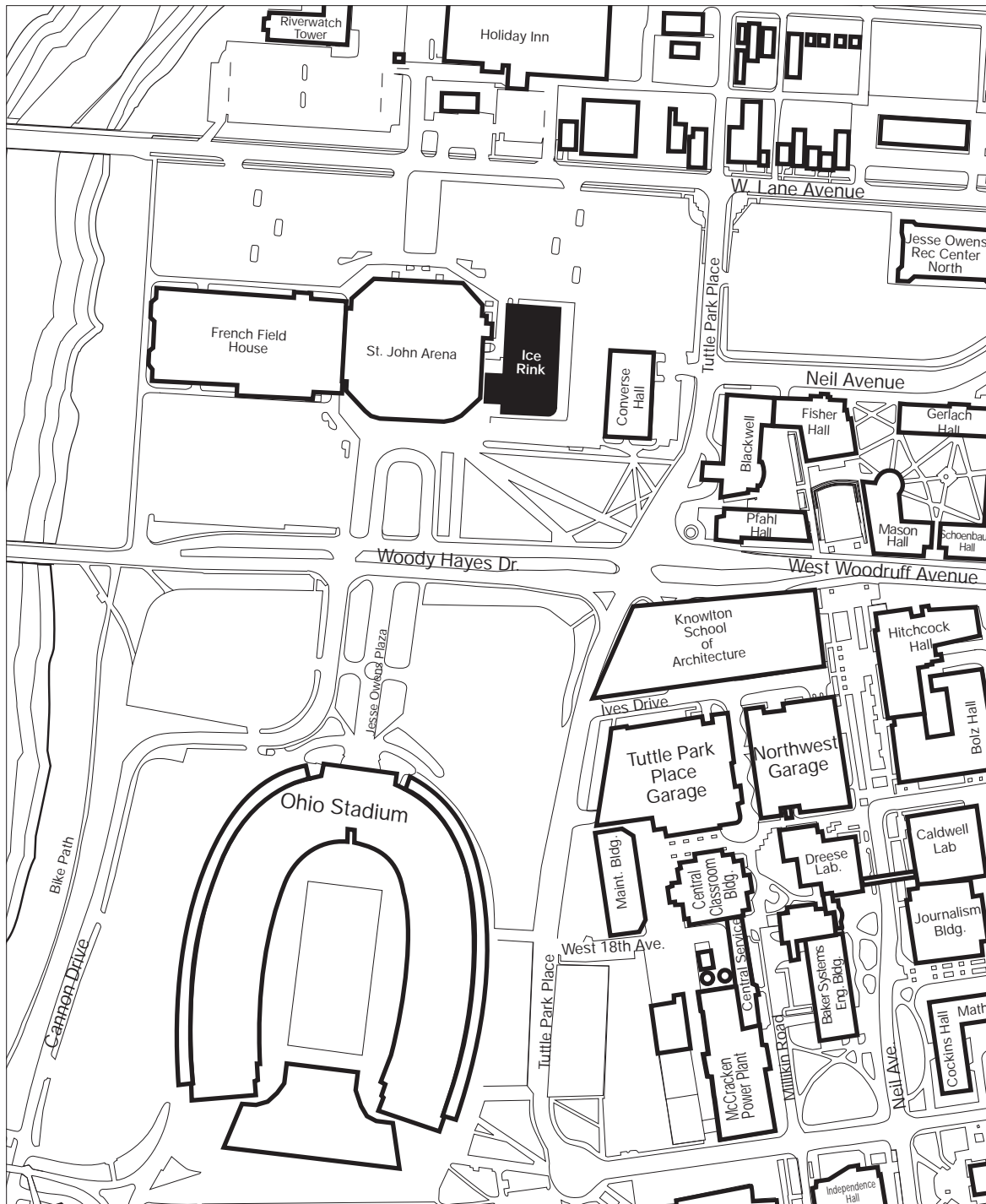
Field Coordinator: Is Unassigned

Project Information:

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
Auxiliaries-Athletics	\$975,000.00	\$1,187,072.00	Construction	\$956,000.00		\$0.00
Total:	\$975,000.00	\$1,187,072.00	Contingency 1	\$143,400.00		\$0.00
			Design	\$76,200.00		\$0.00
			Local Administration	\$11,472.00		\$0.00
			Total Project:	\$1,187,072.00		\$0.00

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (\$875,000-\$975,000 projec)	10/03/2003		10/03/2003
Arch/Engr Advertisement	11/01/2003		11/14/2003
Bidding Approved B/T (\$11187,072 project)	04/02/2004		
Design			
Arch/Engr Contract	02/29/2004		02/19/2004
Construction Document Approval	04/01/2004		
Construction			
Construction Start	06/15/2004		
Completion	09/15/2004		

OSU Ice Rink Renovation



Office of Business and Finance
Office of Facilities Planning and Development

September 13, 2003



Wexner Center - Building Renovations

315-2000-914

Requesting Agency(s): WEXNER CTR-ADMINISTRATION

Location(s): WEXNER CENTER FOR THE ARTS

Gross Sq. Ft. 129,047 Age: 1989

Description: Renovation and retrofit of the Wexner Center for the Arts to correct building envelope and system problems.

Project Team:

Facility Planner: Alex Cofield
(cofield.3@osu.edu)

Project Captain: Scott Conlon
(conlon.1@osu.edu)

Project Assistant: Leeanne Chandler
(chandler.63@osu.edu)

Field Coordinator: Is Unassigned

Project Information:

Project budget increased in July, 2002 to \$12 million to cover additional quality improvements to building systems, including skylight, roof, and mechanical systems.

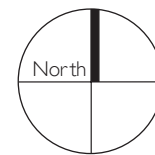
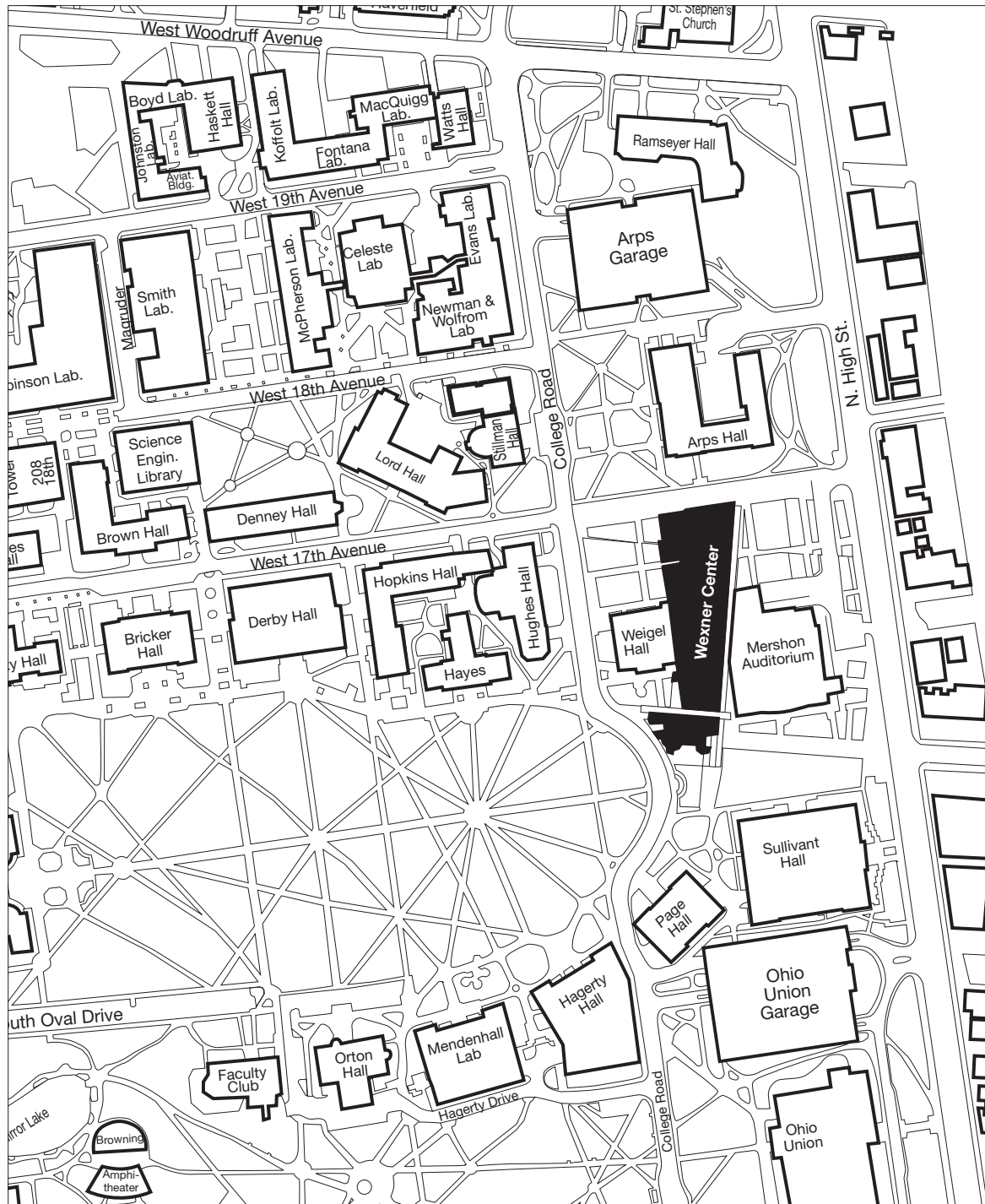
Project budget increased to \$14.5 million in March, 2004 because replacement of the curtain wall and air handlers, rather than repairs, will be more cost-effective in the long term.

Additional related renovations will be required to Mershon Auditorium that are not part of this project. These future renovations are expected to total about \$2 million.

Source of Funds:	Original	Revised	Uses of Funds:	As Designed	As Bid	Completion
Centrally Funded Capital	\$0.00	\$3,500,000.00	Construction	\$9,440,000.00		\$0.00
Projects			Construction Manager	\$1,544,000.00		\$0.00
Future Univ. Bond	\$11,000,000.00	\$11,000,000.00	Contingency 1	\$1,286,000.00		\$0.00
Proceeds			Design	\$1,878,000.00		\$0.00
HB640 Basic Renovations	\$1,000,000.00	\$0.00	Local Administration	\$122,000.00		\$0.00
			Moving	\$230,000.00		\$0.00
Total:	\$12,000,000.00	\$14,500,000.00	Total Project:	\$14,500,000.00		\$0.00

Schedule:	Projected	Revised	Actual
Planning			
Arch/Engr Approved by B/T (\$1 mill Planning Study)	08/30/2000		02/02/2001
Constr Mgr Approved by B/T (\$10,000,000 Project)	04/06/2001		04/06/2001
Bidding Approved B/T (\$12,000,000 Project)	09/01/2001	02/01/2002	07/12/2002
Bidding Approved B/T (\$14,500,000 project)	04/02/2004		
Design			
Arch/Engr Contract (Schooley Contract)	01/12/2001	06/23/2001	06/26/2001
Arch/Engr Contract (ARUP)	10/31/2003		10/31/2003
Constr Mgr Contract (Turner Construction)	11/05/2003	04/01/2004	
Schematic Design Approval	05/04/2001	04/04/2004	
Design Dev Document Approval	09/21/2001	04/04/2004	
Construction Document Approval	03/08/2002	06/10/2004	
Bidding			
Bid Opening (BID PKG 1 - SCA DESIGN)	07/26/2002		08/27/2002
Bid Opening (BID PKG 2 - ARUP DESIGN)	04/10/2002	07/01/2004	
Construction			
Completion	11/29/2003	07/05/2004	
Construction Start	05/25/2002	09/01/2004	

Wexner Center - Building Renovations



Office of Business and Finance
Office of Facilities Planning and Development

December 9, 2000

PURCHASE OF REAL PROPERTY

FOUR ALLEY RIGHTS OF WAY
NORTHEAST OF KENNY ROAD AND LANE AVENUE
COLUMBUS, OHIO

Location and Description

The property to be purchased is located northeast of the intersection of Kenny Road and Lane Avenue in Columbus, Ohio. The property, which is inside the University's acquisition area and surrounded by University property, is owned by the City of Columbus and consists of four undeveloped rights of way and vacant land totaling 0.54 acre.

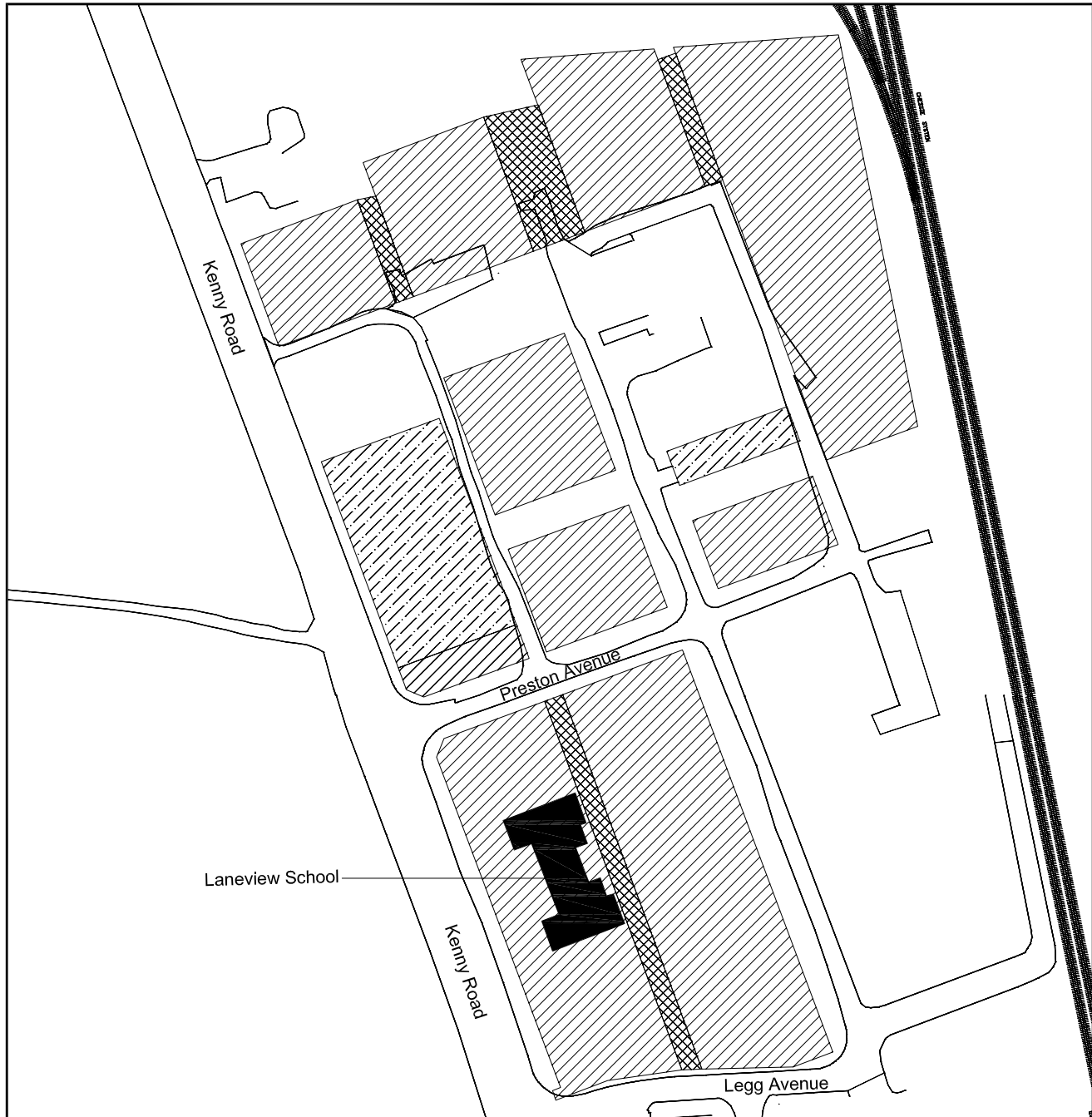
Appraisals and Consideration

Two appraisals conducted by Duros Valuation Group in March 2003 and by Nash/Wilson Associates in October 2003 valued the property at \$45,000 and \$137,850, respectively. The purchase price is \$91,425.00, the averaged appraised value. All acquisition costs will be funded by the Land Purchase Account.

Use of the Property

Title to the property will be taken in the name of the State of Ohio for the use of The Ohio State University. The acquisition of the property is necessary to move forward with construction of a garage facility for use by Physical Facilities. That facility will include new shop, recycling, and salt storage buildings (with a total of about 19,000 square feet), a paved heavy equipment area, and a bulk material storage area. That project was approved by the Board of Trustees in August 2001.

PURCHASE OF REAL ESTATE
FOUR ALLEY RIGHTS OF WAY NORTHEAST OF KENNY ROAD AND LANE
AVENUE AT LEGG AVENUE AND PRESTON AVENUE
COLUMBUS, OHIO



No True Scale

Office of Business and Finance
October 4, 2002



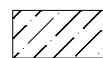
Map Provided by University Engineer's Office



Proposed Purchase
of Property



OSU Owned



OSU Controlled

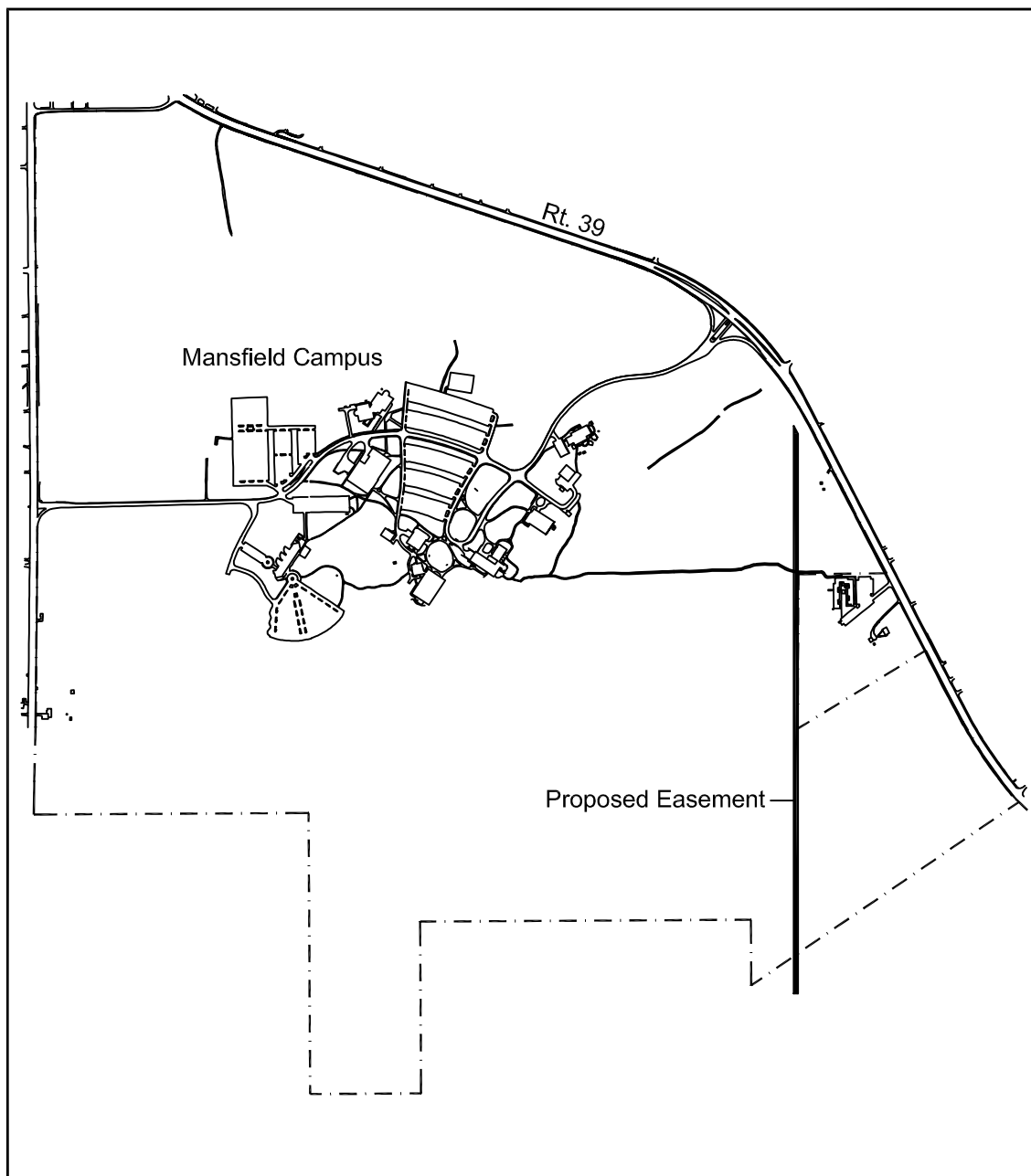
**SANITARY SEWER EASEMENT
MANSFIELD, OHIO**

The City of Ontario, Ohio, is requesting that the University grant a temporary construction easement to the City of Ontario and a 25-year easement to the City of Mansfield, Ohio, for a sanitary sewer line across University property at the Mansfield Campus. The temporary easement will permit Ontario to construct the sanitary sewer line, which will be connected to a Mansfield sanitary sewer line. The 25-year easement will grant the City of Mansfield access to maintain, operate, and repair the sewer line. Upon approval of the easements by the Board of Trustees, the Ohio Department of Administrative Services will prepare the easement documents to be signed by the State of Ohio granting the easements.

As consideration for the easement, the City of Ontario will construct a bicycle path over the easement area for the use by the Mansfield Campus. The bicycle path will be constructed in accordance with specifications provided by the University.

The Ohio State University Mansfield Board endorsed granting these easements at its meeting in January 2004.

SANITARY SEWER EASEMENT AT THE OHIO STATE UNIVERSITY - MANSFIELD CAMPUS MANSFIELD, OHIO



No True Scale

Office of Business and Finance
April 2, 2004



Proposed Easement

Map Provided by University Engineer's Office

**Fiscal Affairs Committee
April 2, 2004**

SCHEDULED MAINTENANCE AND RENEWAL OF UNIVERSITY FACILITIES

Context:

In March 2002, the Board of Trustees approved a policy and strategic principles requiring the University to accept responsibility for scheduled maintenance and renewal of new space.

Finding a funding mechanism that is comprehensive, fair, and flexible for all of the colleges, regional campuses, and support areas has been challenging. The recommendations below are intended to address these issues. (also see attachment A)

Recommendation:

1. Beginning in Fiscal Year 2005, all General Funds units will be assessed a prorated surcharge per assignable square foot, for all of their assigned space, for scheduled maintenance and renewal as part of the annual Plant, Operations, and Maintenance charges. This assessment would be phased in over three years beginning in FY 2005 and will be assessed on all General Funds space (see attachment B). These funds will go into a restricted, but invadable, endowment that will be used only for scheduled maintenance and renewal of General Funds space. Endowment withdrawals for the first projects are not scheduled to occur until 2015.
2. General Fund space will also continue to have scheduled maintenance and renewal needs funded by centrally allocated capital funds, State capital appropriations, or other sources.
3. Major auxiliaries and regional campuses will be responsible for funding maintenance and renewal for their facilities. These areas are to have approved plans for scheduled maintenance and renewal on file by June 30, 2004. Major auxiliaries include Student Affairs, Health System, Athletics, Airport, Real Estate and Property Management, Business Operations, and Transportation and Parking. Regional campuses include Mansfield, Newark, Marion, Lima, and for this purpose, OARDC and ATI.
4. A report on the status of the endowment will be provided to the Board of Trustees annually.

Issues:

- Does this accomplish the objectives of the Board policy in a fair and effective manner?
- Is the process for use of the endowment appropriate?
- How will other unmet scheduled maintenance and renewal needs be addressed?

Requested of the Fiscal Affairs Committee:

Approval of the proposed resolution, which was submitted for a "first reading" at the March Board meeting.

Office of Business and Finance

Subject: Scheduled Maintenance and Renewal
Date: March 24, 2004
From: Bill Shkurti
To: Karen Holbrook
Barbara Snyder

The purpose of this memo is to update you on the consultations I have had with the vice presidents, deans and the Senate Fiscal Committee regarding the proposed surcharge of \$0.19/ASF to support future maintenance and renewal needs.

First, I have been extremely pleased with the support this initiative has received. Everyone recognizes the need to address this problem, and even though these are tough times budgetarily, they are willing to commit scarce operating funds to make sure future needs are addressed.

Some of the vice presidents responsible for large auxiliaries expressed a concern that their reserves set aside to address future maintenance and renewal would be reallocated by central administration for other needs. By providing an endowment that is restricted to future maintenance and renewal only, I believe we have addressed this issue.

The Arts and Sciences deans were concerned that since all units will be contributing to the endowment, all General Funds space should be eligible for distribution as long as it met the overall criteria. I have also been told by Jim Stevens that the Physical Facilities Faculty Advisory Committee had the same concern. I assured them our intent was not to be overly restrictive. A great deal could change in 15-20 years, so we would leave future administrations with as much flexibility as possible as to how to distribute the money, as long as it was used for the purpose intended (scheduled maintenance and renewal).

Jim Stevens was concerned that we not create the false expectation that this plan will resolve all our deferred and current scheduled maintenance and repair needs. I share his concern. The \$0.19/ASF is sufficient to deal with scheduled replacement and renewal for all General Funds space added between FY 2000 and FY 2003 for the next 50 years, as long as the endowment is allowed to accumulate as planned.

However, this still leaves the issue of funding of the current backlog, as well as future additions to General Funds space. Our expectation is that the combination of state support and University funds should be able to address most of our current needs, but if the state begins to back away from providing capital support, this could be a problem.

I recommend the following:

1. That as soon as we have this policy in place, we go back and examine current needs to make sure we have a good plan in place to address the backlog.
2. We guarantee the current rates for three years, then re-examine everything at that time to make sure resources and needs are in alignment.

The Senate Fiscal Committee posed the question of what happens in the event of budget reductions. I told them we needed to view this as a continuing commitment, much as we do debt service, and it cannot be the first thing we look to cut if times are bad. Conversely, if the University were to confront a major financial crisis, then everything would need to be on the table for review. My sense is they were comfortable with this approach.

I believe we have successfully addressed the concerns expressed. I recommend we proceed with formal Board approval at the April 2, 2004 meeting and include this document in the background materials for the record.

I appreciate the support both of you have provided in bringing this important initiative forward. If you would like any additional information, please let me know.

c: Kathy Dillow
Jill Morelli
Alayne Parson
Jim Stevens
Lee Walker

Subject: Maintenance and Renewal

Date: March 23, 2004

From: Jim Stevens

To: Bill Shkurti

The purpose of this memo is the share with you a recommendation on how to move forward on assuring sufficient funds for maintenance and renewal of new space.

Definition of Terms

The first step is to define what is meant by scheduled maintenance and renewal. This means scheduled renewal or replacement of various building components that are known to have a limited useful life during a buildings 50 life span. Based on accepted industry standards these include:

15 years	Wall, floor and ceiling finishes; Safety standards
20 years	Partitions and doors, cooling and ventilation systems
25 years	Roofing and flashing
30 years	Repeat of finishes and safety standards
40 years	Electrical service and distribution
50 Years	Whole building replacement

Cost

Cost for the replacement and renewal cycle of components can be estimated fairly precisely by a formula that translates the figures as a percent of original construction costs. For example, for a 34,400ASF building that costs \$10 million, renewal and replacement costs would be the following, before taking inflation into account:

\$10 Million Construction Maintenance & Renewal Schedule for Components	Percentage	\$ Amount
15 years (Finishes and Safety standards)	9%	\$900,000
20 years (Partitions and doors, HVAC systems)	22%	\$2,200,000
25 years (Roofing and flashing)	5%	\$500,000
30 years (Repeat of finishes and safety standards)	6%	\$600,000
40 years (Electrical service and distribution)	2%	\$200,000
Cumulative Total	44%	\$4,400,000

Funding Sources

These costs amount to approximately \$128 per ASF over the life of the project, before taking inflation into account. For earnings units that generate their own resources, building these costs into funding models is fairly straightforward.

For General Funds space, it is a much more difficult issue. The original intent was to place a surcharge on "new space" only. New space is being defined as net additions to General Fund space of colleges and support units.

This has the advantage of putting the expense where it is being generated, so that state capital and renovation dollars could be targeted to old space where it is needed most. But, as an attempt was made to define what type of space would be included under the definition of "new" space, it quickly became apparent the enormity of the challenge. For example, when did "new" begin – in FY 2000 when budgets were rebased? What about existing MOU's approved between then and now? What about new space in old buildings or space in new buildings that was simply reassigned?

After having struggled with these questions for several months, it was determined that it would be impossible to come to consensus with a system tied to new space that was fair, easy to understand and could be tracked accurately. Instead, the recommendation is to impose a surcharge over all General Funds space. Funds received as a result of this surcharge would be used to establish an endowment to address future maintenance and renewal needs.

Recommended Amount

Based on comparing General Fund ASF added since FY 2000 (about 300,000 ASF) and the cost factors defined above, an estimated annual surcharge of \$0.19/ASF on all General Funds space would accomplish this objective (see Attachment B-1). However, it is important to keep in mind that this cost will need to be recalculated each year taking into account current inflation rates and new space added.

In order to ease the financial burden on units, the surcharge could be phased in over three years at the rate of \$0.06/ASF the first year, \$0.12/ASF the second year and \$0.19/ASF the third year.

The advantage of this proposal is that it would be simple to track over time and would base the charge on space assigned, which was taken into account in the budget restructuring exercise. Obviously this is not the only way for this goal to be achieved, but after careful consideration, it appears to be the best way.

A remaining challenge is the reduction of existing \$74 million in deferred maintenance that is above and beyond our Facility Condition goal. State Capital budget allocations alone are not likely to be sufficient to reduce this standing deferred maintenance backlog in academic and academic support facilities. Future initiatives are required. The planned endowment is a significant step in a positive direction; even if more work remains to be done for a comprehensive solution.

I hope this information is helpful to you in bringing this forward for University-wide discussion.

c: Kathy Dillow, Jill Morelli, Alayne Parson

Funds Generated by a POM Surcharge of \$0.19 on General Funds Assignable Square Feet

Year	Funds Set Aside	Cumulative Total	Funds Needed	Balance
1	\$435,835	\$463,204	\$0.00	\$463,204
2	\$871,669	\$1,418,698	\$0.00	\$1,418,698
3	\$1,380,143	\$2,974,599	\$0.00	\$2,974,599
15	\$2,065,620	\$37,661,950	\$10,977,651	\$26,684,300
20	\$2,394,620	\$49,744,732	\$30,773,279	\$18,971,453
25	\$2,776,020	\$41,446,325	\$8,036,866	\$33,409,459
30	\$3,218,169	\$63,527,903	\$11,650,831	\$51,877,072
40	\$4,324,949	\$148,527,677	\$3,964,621	\$144,563,056
50	\$5,812,370	\$337,222,726	\$337,222,692	\$34

NOTE: These figures assume a 3% inflation rate for construction and a 6.3% return. Rates may need to be adjusted as inflation and investment numbers change over time.

**Fiscal Affairs Committee
April 2, 2004**

TOPIC:

The Cancer Program Expansion

CONTEXT:

The Comprehensive Cancer Center is Ohio State's most productive interdisciplinary research center. Its continued growth is directly related to the Academic Plan; however, space limitations are a significant barrier to continued progress. (Attachment A)

The University administration recommended expansion of the Comprehensive Cancer Center on July 11, 2003 as part of the FY 2005 – FY 2006 Capital Planning Process. Approval by The OSU Board of Trustees was given on September 5, 2003.

RECOMMENDATIONS:

1. Approval for the University to proceed to hire architects and engineers for design work.
2. The University and the Medical Center will develop a Health Sciences Master Facility Plan, which will be integrated with the University Master Plan, to assist in the siting of both the inpatient and outpatient facilities. (Attachment B)
3. The University and the Medical Center will develop an approved business plan prior to release of bids for construction. (Attachment C)

CONSIDERATIONS:

- How this proposal advances the Academic Plan.
- Assurance that appropriate University procedures have been followed.
- Funding for the project.
- Impact on the University's debt capacity.
- Financial impact on other parts of the Medical Center and the University.
- Risks and how will they be managed.
- Siting issues and how will they be resolved.
- Collateral impacts on parking, access and infrastructure and how will they be managed.
- Next steps and timeline.
- How the Board should be involved in assuring due diligence.

REQUESTED OF FISCAL AFFAIRS COMMITTEE:

Approval of proposed resolution.

The Cancer Program Expansion Project Strategic Context

- The incidence of cancer is on the rise nationally and in Ohio. It is a disease that has impacted the lives of everyone in one way or another.
- OSU's James Cancer Hospital has reached its capacity for both inpatient and outpatient care. In order to be able to continue to serve the citizens of Ohio, expansion is needed.
 - Inpatient growth FY01 through FY04 (projected): 14% (admissions); 26% (patient days)
 - Outpatient growth FY01 through FY04 (projected): 27%
- Likewise, investment in OSU's cancer research efforts is necessary to continue strengthening our position as one of the nation's leading cancer programs. Research and patient care are intricately linked to assure the most advanced care possible for patients.
- The financial driver for the proposed expansion will be the cancer program itself – through cash reserves of The James, operating revenues from The James to service bonding debt, and philanthropy.
- The University's involvement includes support through such avenues as bonding capacity, land, allocation of state capital funds, infrastructure, etc.
- The OSU Medical Center has identified the cancer program as a strategic priority in achieving the organization's goals of growth, leverage and change and has invested heavily in advancing the program in a variety of areas including recruitment of faculty and staff, technology, and program development across disciplines.
- The OSU Cancer Program expansion also directly supports The Ohio State University's Academic Plan by:
 - continuing to build a world-class faculty and be a leader in biomedical research through the recruitment of nationally and internationally-renowned cancer researchers who work hand-in-hand with clinicians to provide our patients with the most advanced care as soon as it is available
 - providing additional research and educational opportunities for both undergraduate and graduate students
 - contributing to the economic growth of the Health System, the Medical Center, University, central Ohio and the State of Ohio

Health Sciences Master Facility Plan Project Summary

Key Objectives and Project Scope:

- To support long-term development (15 years) of OSUMC and other health science facilities by establishing the following:
 - Facility requirements and locations
 - Land acquisition requirements
 - Infrastructure needs
 - Access and parking requirements
 - Budget strategies and schedules
- The scope of the project is proposed as follows:
 - Existing and proposed academic facilities of the Colleges of Medicine, Optometry, Dentistry, and Nursing; and the Schools of Allied Medical Professions and Public Health
 - Existing and proposed patient care facilities of The OSU Health System
 - Geographically, the project will involve facilities and infrastructure on the core OSUMC campus, those on the periphery of the campus (for example, OSU Outpatient Services, 650 Ackerman Road), and regional holdings

Approach:

- A team of consultants experienced in academic medical center master planning has been identified through issuance of an RFP and competitive bid process. Contract negotiations are underway. The proposed fee is \$1.8 million plus reimbursable expenses (estimated at \$400,000)
- A process for engaging OSUMC, Health Sciences and University leadership will be developed
- The project is expected to take 12-18 months from execution of a contract to completion

See Attached Map

**OSU Board of Trustees
Fiscal Affairs Committee
April 2, 2004**

**Briefing Sheet
The Cancer Program Expansion Project Business Plan**

The Ohio State University Medical Center, with the assistance of Oncology Solutions, a nationally recognized consulting firm, has completed a feasibility study of an expansion of the James Cancer Hospital and Comprehensive Cancer Center (see Attachment C-1). The feasibility study concluded the following:

- The project supports the Academic Plan.
- An inpatient, outpatient, and research expansion is needed in the range of approximately 725,000 to 785,000 gsf of new space over the next ten years in order to meet patient demand and academic goals.
- Approximately 170,000 to 190,000 gross square feet (gsf) of existing inpatient facility space will need to be renovated over the next ten years.
- The total project would cost between \$350 and \$400 million and could be financed through a combination of increased patient revenues, private giving and cash reserves, as long as certain assumptions regarding volume, recruitment and reimbursement levels are met.
- The project will require a significant investment into traffic and parking improvements/accommodations. The total dollar investment required has not been determined at this time.

In addition, a comprehensive facilities planning process is underway, which will help determine that the phase-in of additional facilities next to the existing hospital and west of Cannon Drive as appropriate.

The University administration, including the Office of Business and Finance and the President's Cabinet, has reviewed the feasibility study and proposed expansion and recommends proceeding with the project as described.

The next step is for the Board to authorize advertising to hire architects and engineers and a construction manager to begin planning the project. The planning and design phases are expected to take 18 to 24 months and will develop a conceptual plan and program for the total project. That process will be coordinated with master facility plans for the Health Sciences and the University.

Meanwhile, the Medical Center and the Office of Business and Finance will work jointly to develop a detailed business plan for this project, similar to the plans developed for the Ross Heart Hospital and the Biomedical Research Tower.

The plan will include a more detailed estimate of construction and operating costs, siting considerations multi-year source and use projections, stress testing of volume and reimbursement analysis, other project related costs, assessment of the financial impact on other components of the Medical Center, a risk management discussion and other relevant information.

The budget approved in conjunction with the business plan will be the budget for the project. The cost estimate of \$350-\$400 million from the feasibility study will be the starting point for the process, but will change after detailed programming, planning and design are completed and all project related costs are finalized.

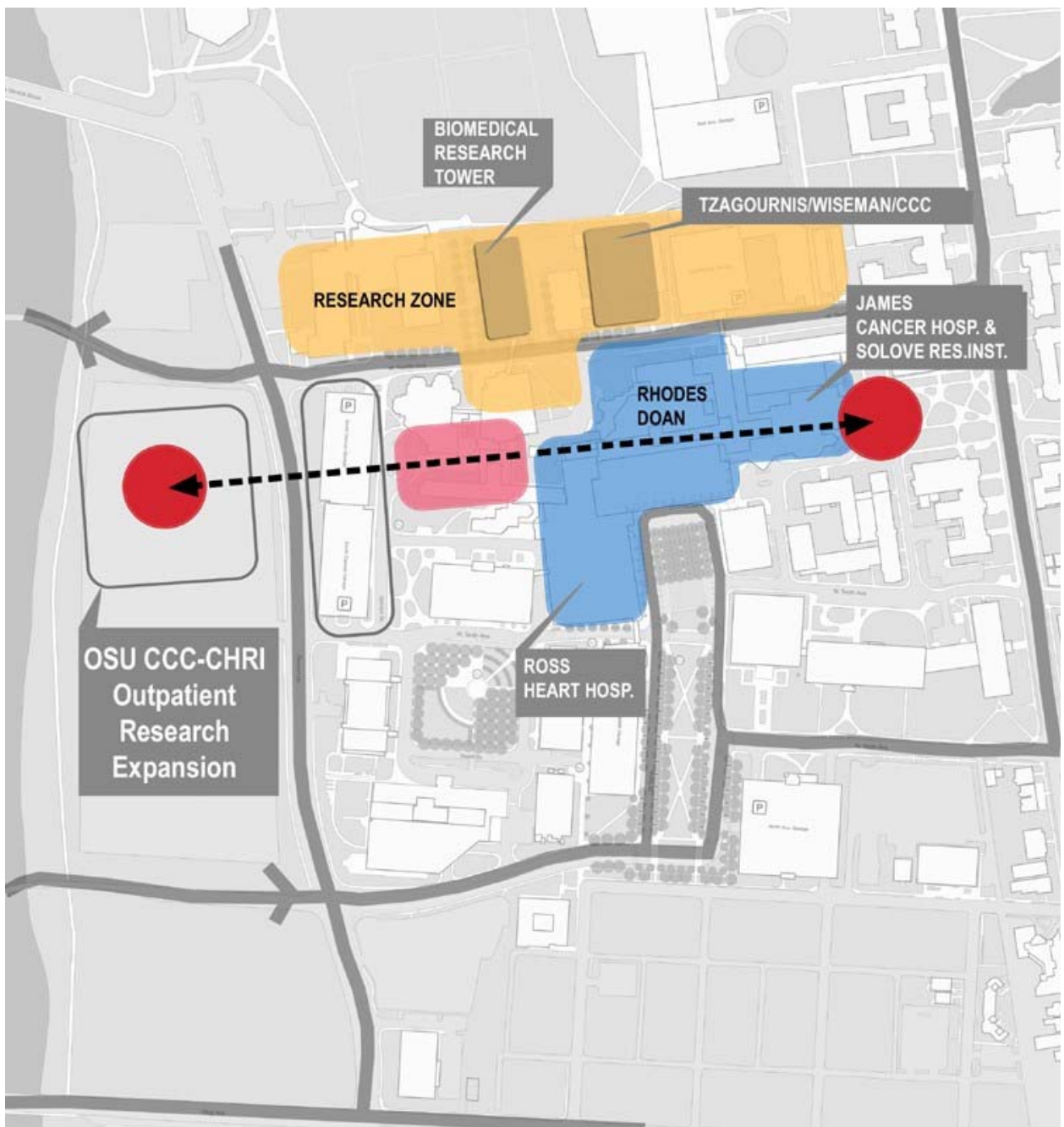
Other costs identified in the feasibility study such as **access, parking and utility costs**, which could be significant, will be refined and further analyzed as part of the final business plan. Recommended funding source(s), will also be identified as part of the business plan.

This project will be funded and phased in such a way as to protect the University's credit rating.

This project will not move forward to authorization to bid for construction until the University and the Board of Trustees have approved the business plan.

Feasibility Study – Initial Findings

- Project supports the Academic Plan
- Significant increasing demand for research-driven patient care
- Project supports the Academic Plan
- Preliminary project cost estimate -- \$350M - \$400M over 10 years
- Project can be self financed from cancer hospital cash reserves, philanthropy, and University bonds to be repaid with user fees
- Major financial assumptions:
 - Medicare PPS exempt status continues
 - Cancer will be assigned 4 floors in the BRT
 - Hospital receives no grant indirect cost recovery to offset the cost of expanded research space
 - Targeted new recruits will meet or exceed projected clinical volumes:
 - Inpatient growth (FY05 to FY15): 57.5%
 - O/P growth (FY05 to FY15): 50.4%
 - Conservative estimates
- Integration with BRT project vital to maximize fiscal responsibility and research space usage (4 BRT floors assigned to Project Cancer)
- Gap strategy planning for projected clinical volume growth has been reviewed with Medical Center leadership and is feasible
- Construction of new inpatient, outpatient and research facilities will be staged to “right-size” with volume projections, allowing for phased financing and fiscal responsibility
- Potential economic impact by 2015
 - ✓ 1,600 – 2,600 new jobs (clinical staff, clinical/research faculty and support)
 - ✓ \$150M - \$175M in new cancer research grants



Proposal for **EXPANSION** of The Ohio State University **CANCER PROGRAM**

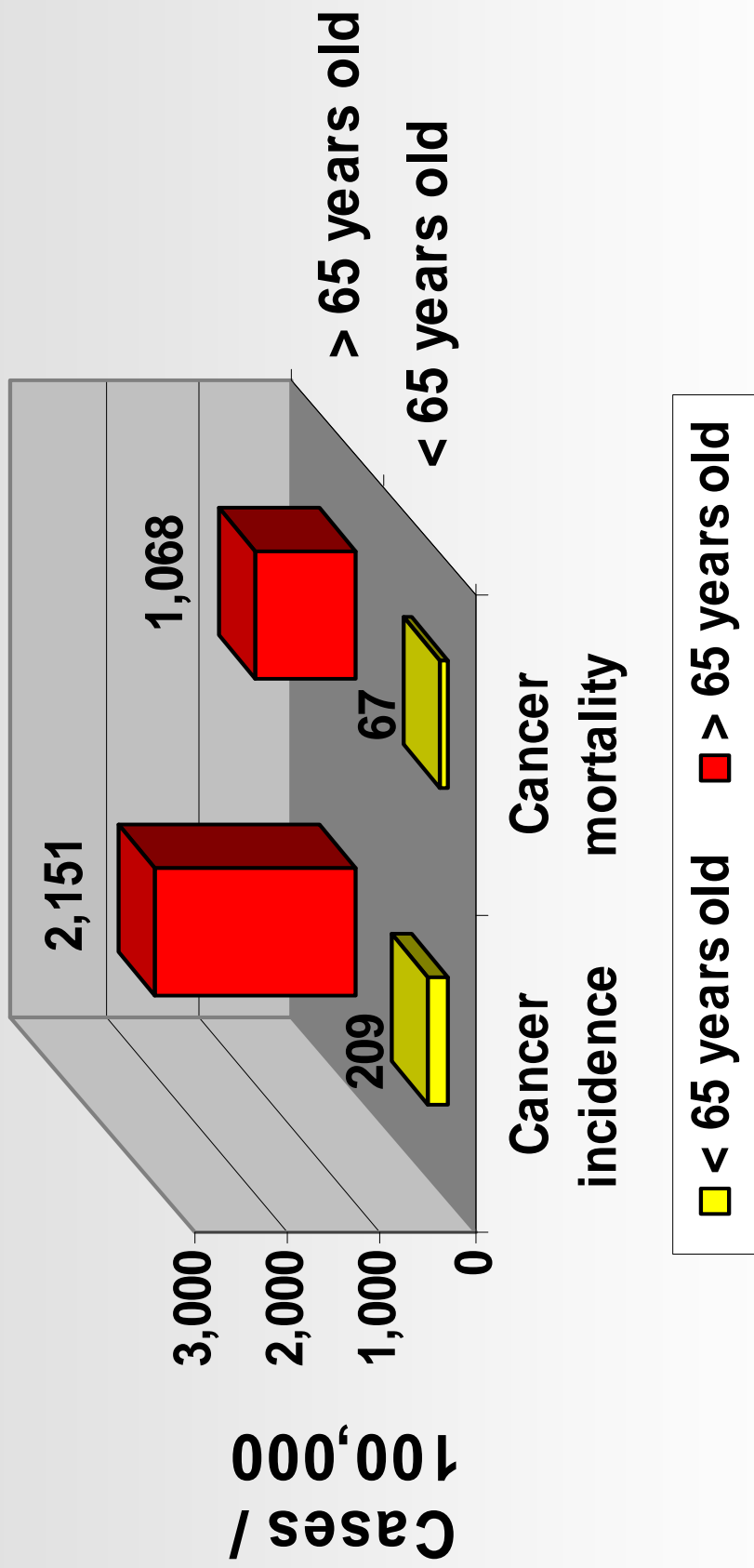
The Ohio State University Board of Trustees

April 2, 2004

OSU Cancer Program Features

- NCI-designated Comprehensive Cancer Center (only 38 in U.S.)
- The James is the only free-standing cancer hospital in the Midwest...yet connected to OSU Medical Center (OSUMC) to provide a full range of patient care
- Nationally ranked cancer hospital by USN&WR
- Significant cancer research funding base (>\$97M as of Feb 2004); largest research program of OSUMC (50%) and OSU (20%)
- Substantial OSUCCC research activity (25%) is in OSU programs extending beyond the Medical Center
- OSU-wide multidisciplinary program: 216 research faculty members and 423 medical staff in 13 different OSU colleges
- Original debt from The James facility was retired early
- The James has cash reserves and a positive operating margin

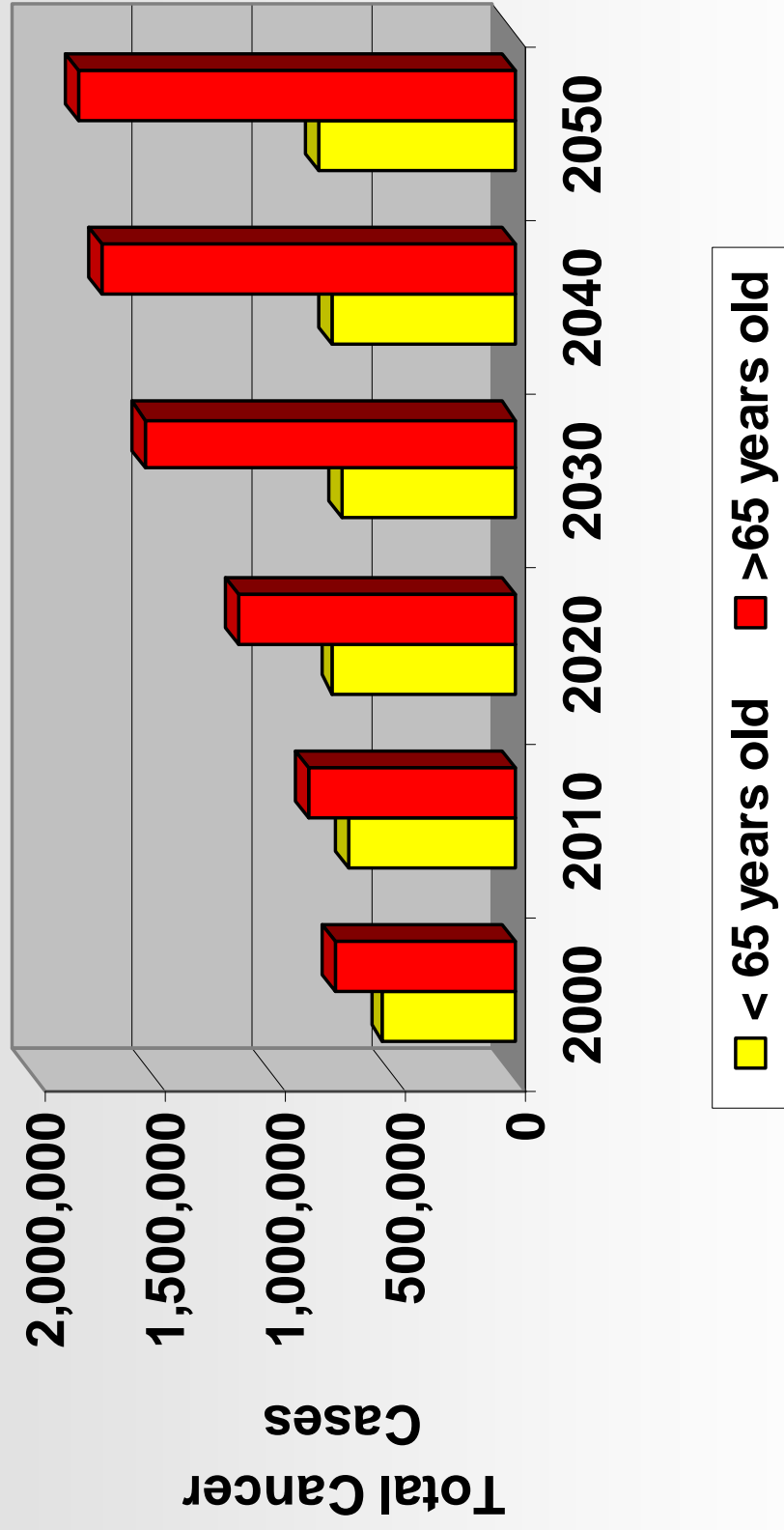
Cancer and the Aging Population (United States)



- Ohio's incidence of cancer in the aging population (>65) is 24% higher than the average U.S. incidence rate (>65)

Source: Yancik, *International Society Geriatric Oncology* 2001

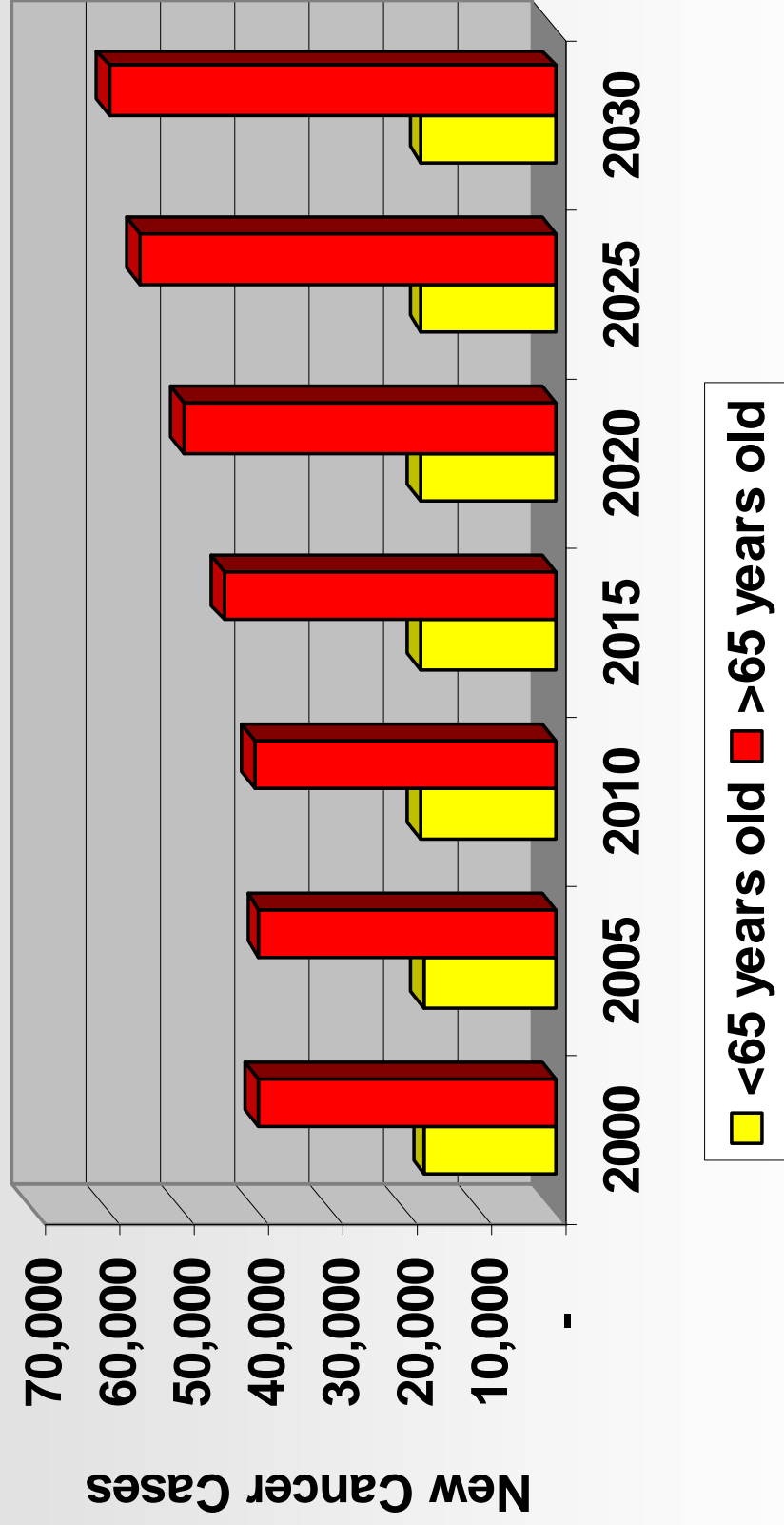
Cancer and the Aging Population (United States)



- **U.S. total cancer cases in the aging population (>65) are projected to increase 142% by 2050**

Source: U.S. Census Bureau & SEER

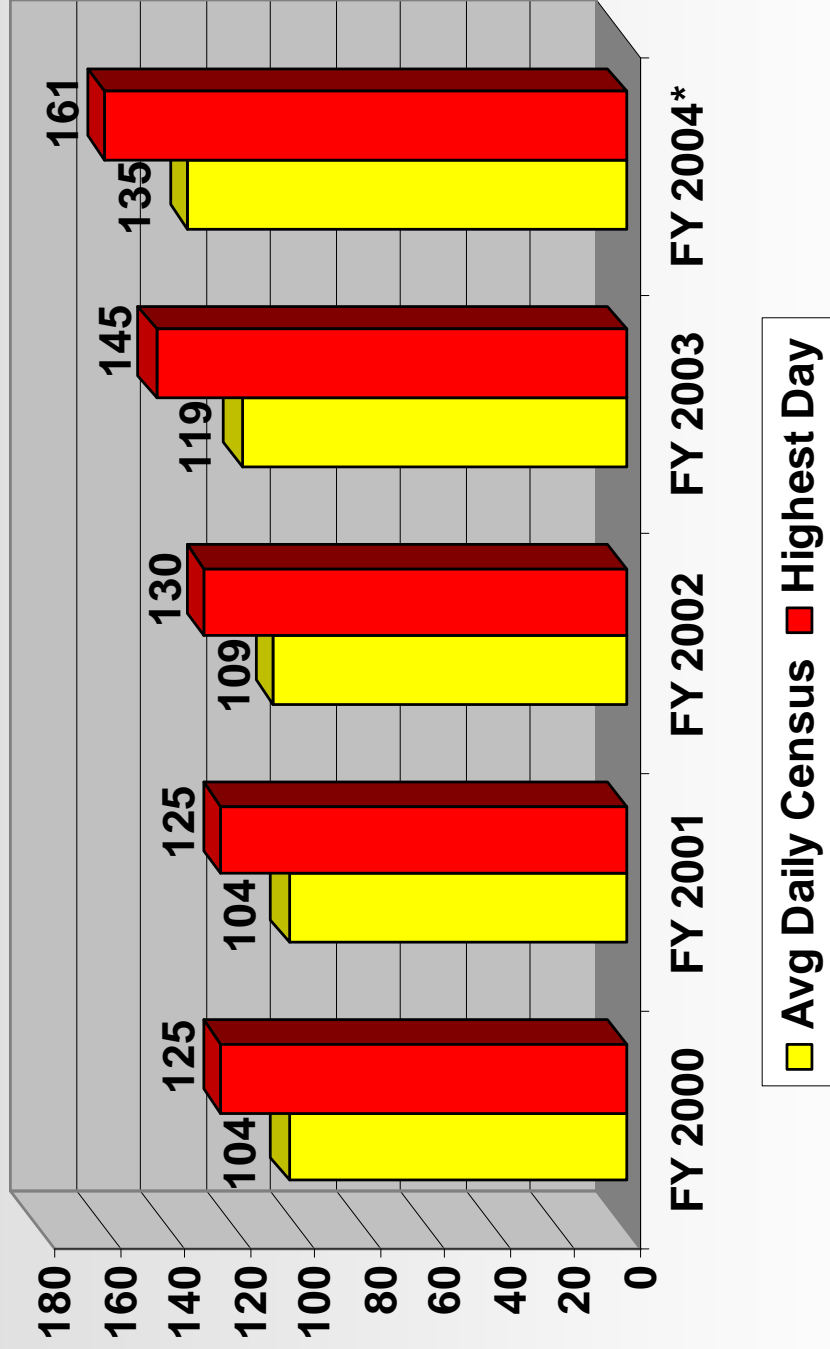
Cancer and the Aging Population (Ohio)



- Ohio new cancer cases in the aging population (>65) are projected to increase 50% by 2030

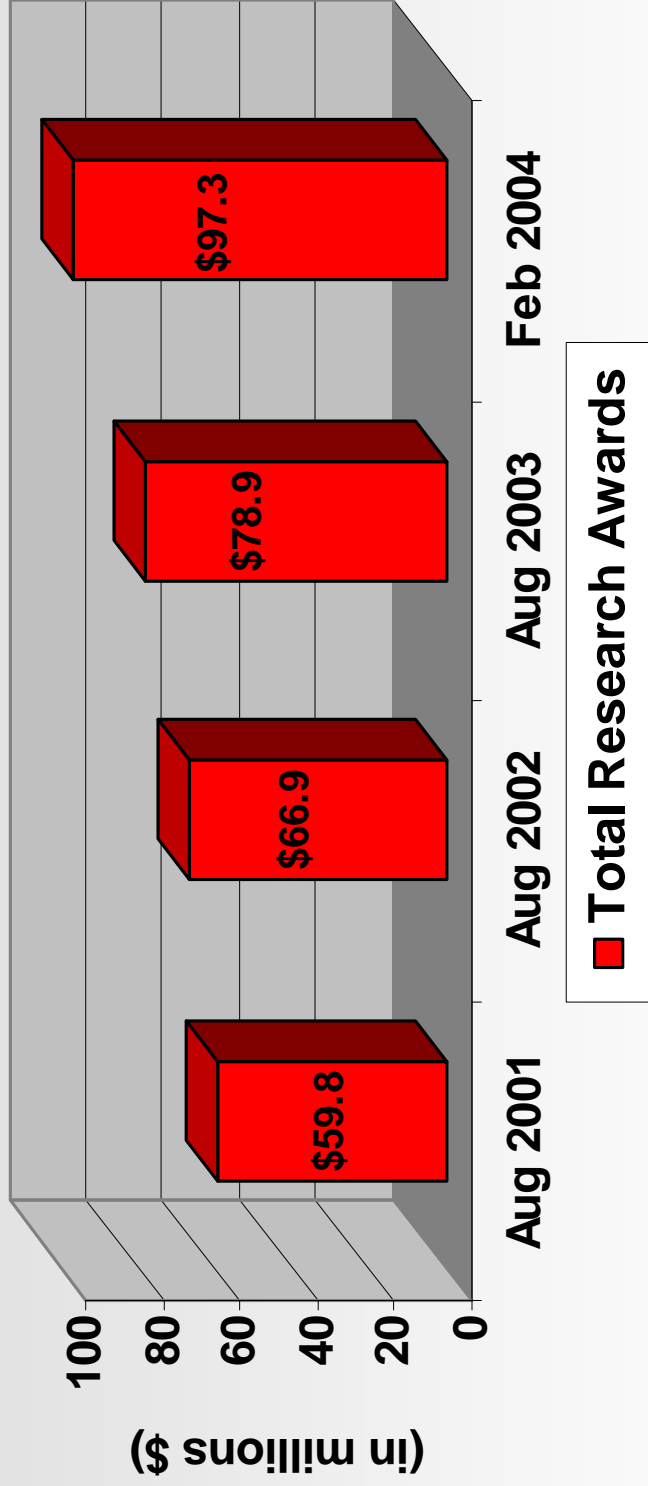
Source: Ohio Department of Development & SEER

The James Inpatient Growth



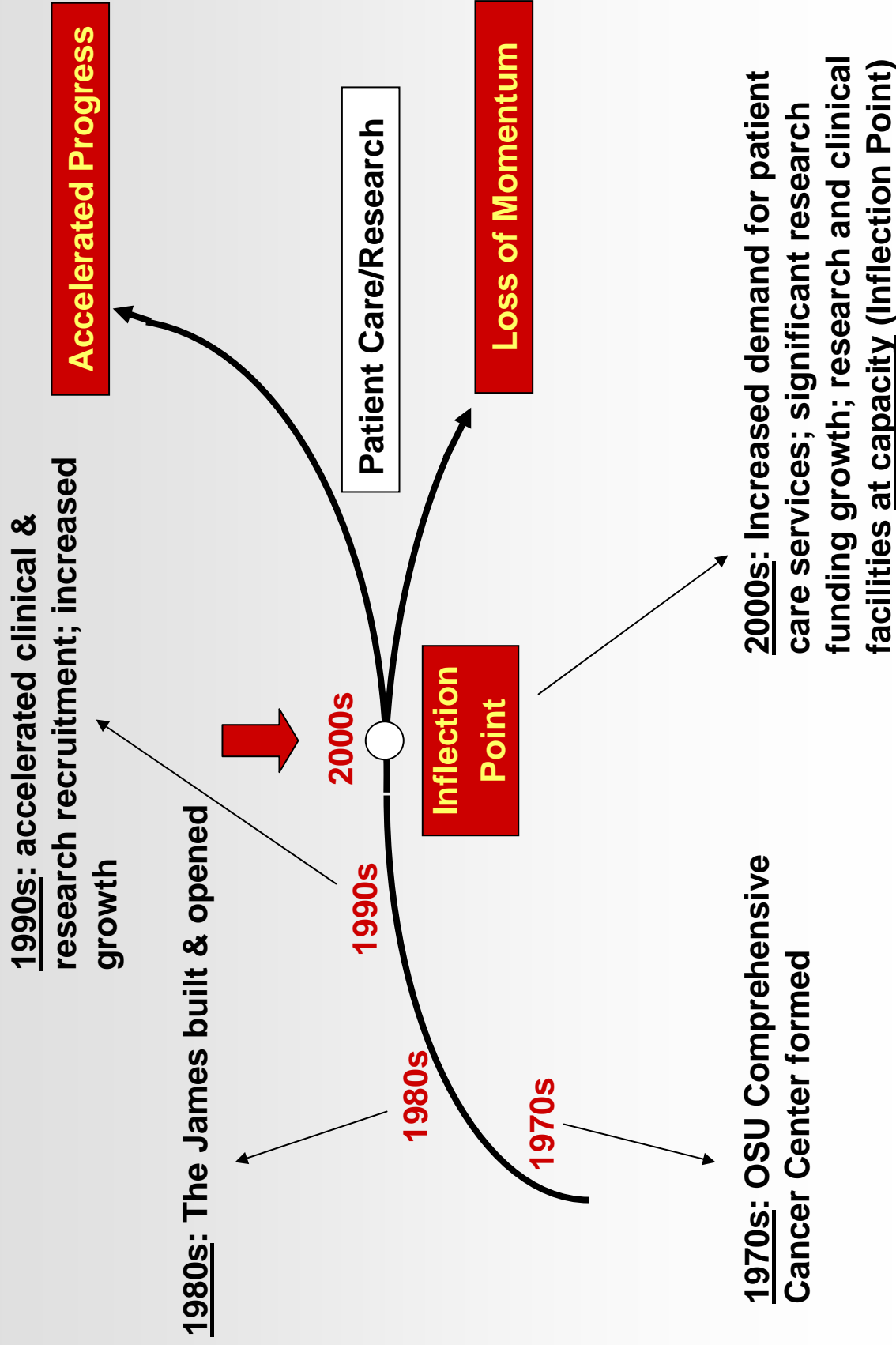
- 30% increase in average daily census from FY 00 to FY 04 YTD*
- The James inpatient capacity in FY 2004 = 158 beds

OSU Comprehensive Cancer Center Research Awards



- 62.7% increase in total research awards since August 2001

Strategic Inflection Point



Vision

To provide **superb patient care distinguished** by high quality basic and clinical **research** for Ohioans and beyond.

Goals

- To integrate cancer program expansion to support the OSU Academic Plan and strategic plan of Medical Center
- To meet the needs of our patients, students and faculty by expanding the breadth and depth of our cancer program
- To concentrate and coordinate research, education, and patient care to obtain benefits of critical mass and synergy
- To create new jobs and stimulate economic development in Ohio

Tactic

- To create a **unique** physical and intellectual environment for the OSU Cancer Program that **accelerates** the growth of **translational research** (i.e. from laboratory to bedside).

Feasibility Study – Initial Findings

Programmatic

- Significant, increasing demand for research-driven patient care
- Strategy for managing projected clinical growth is integrated with OSU Medical Center planning
- Cancer research growth is an integral part of Biomedical Research Tower project
- Construction of new inpatient, outpatient and research facilities will be phased to “right-size” with volume projections
- Project supports the OSU Academic Plan

Feasibility Study – Initial Findings

Economic

- Total project scope over 10 years of ~\$350M-\$400M* funded by The James cash reserves, University bonding repaid by The James revenue, and philanthropy
- Project provides economic value to Columbus and the State of Ohio
 - 1,600 - 2,600 projected new jobs (clinical staff, clinical/research faculty and support) by 2015
 - \$150M - \$175M in new cancer research grants by 2015

* preliminary estimates only

Next Steps

- Seek OSU Board of Trustees (BOT) approval for architect and engineer design process
- Finalize site selection as part of the Health Sciences master plan
- Finalize business plan for BOT approval prior to final BOT construction plan approval